

Project Report (17MBAPR407)

**A STUDY ON INVENTORY MANAGEMENT IN MODEL INFRA
CORPORATION PVT LTD VERNA, GOA**

BY

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Submitted to

VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI



In partial fulfilment of the requirements for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

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March 2019



Date : 16/02/2019

TO WHOM IT MAY CONCERN

This is to certify that Ms. Branda Fernandes, bearing USN 1AY17MBA06 II MBA Student of Acharya Institute of Technology Institute of Technology, Bangalore Karnataka has successfully completed her Project Report on the topic "Inventory Management" in our factory from 03/01/2019 till 16/02/2019.

This certificate is issued to her on her own request and we wish her success in her future endeavors.

For Model Infra Corporation Pvt. Ltd.

Authorised Signatory





ACHARYA INSTITUTE OF TECHNOLOGY

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

Date: 04/04/2019

CERTIFICATE

This is to certify that **Ms. Branda Fernandes** bearing USN **1AY17MBA06** is a bonafide student of Master of Business Administration course of the Institute 2017-19 batch, affiliated to Visvesvaraya Technological University, Belagavi. Project report on “**A Study on Inventory Management at Model Infra Corporation Pvt Ltd, Verna, Goa**” is prepared by her under the guidance of **Dr. Janardhan G Shetty**, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

Janardhan 4/4/19

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DECLARATION

I, **Branda Fernandes**, hereby declare that the Project report entitled on “**Inventory Management**” with reference to “**Model Infra Corporation Pvt Ltd, Verna Goa**” prepared by me under the guidance of **Dr. Janardhan G Shetty**, faculty of M.B.A Department, Acharya Institute of Technology Bangalore and external assistance by **Milind Sail ,Store Manager at Model Infra Corporation** .I also declare that this project work is towards the partial fulfilment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University,Belagavi.I have undergone a summer project for a period of six weeks 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: *Banglore*

Date: *10-4-19*

Branda Fernandes
Signature of the Student

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Finally I express my sincere thanks to my Parents, friends and all the staff of MBA department of AIT for their valuable suggestions in completing this Project Report.

Place: Bengaluru

Branda Fernandes

Date:

USN: 1AY17MBA06

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EXECUTIVE SUMMARY

The responsibility of finance and accounts department is of at most important with regard to the successful performance of the any company.

An organisation is a social agreement which pursues collective goals, controls its own performance and has boundary separating it from its environment. Model Infra Corporation in India is one of the main buckets manufacturing & exporting industry in India.

Inventory is a central process in manufacturing unit. This inventory is concern to all departments, the study was undertaken to get an exposure to the functioning of store department of the company and it helped to interact with manager of store department of the company and to observe the workers at their work place. The purpose of the study was to understand the working of their inventory at that company.

The study was confined to 6 weeks based on primary data obtained from store manager and secondary data from annual report. The study covers in brief about the present position of the company.

The topic chosen for the research is **“Study on Inventory Management” at Model Infra Corporation Pvt Ltd.**

CHAPTER-1

INTRODUCTION

INTRODUCTION

Internship is one of the significant part of every MBA student's life. The topic for which I have chosen for the project is "A study on Inventory Management at Model Infra Corporation Private Limited Verna, Goa for 6 weeks. In this concept I learned the practical knowledge, skills required and also to appreciate about the idea of Inventory Management. Inventory is one of the important asset for every company it helps to learn the various concepts of maintaining the Inventory safely in the warehouses. It helps to learn various problems related to the payment from clients, poor quality of goods, delay of products, etc. and along with this I was able to learn various techniques used in Inventory. This helps to contribute the profit and future prediction of the company and increase the stakeholders of the company.

1.1 INDUSTRY PROFILE

OVERVIEW OF MANUFACTURING AND ENGINEERING SECTOR

These sectors provide wide range of engineering jobs for graduates such as design, production, supply chain or logistics.

Manufacturing is the process where the raw materials are converted into finished goods. In the manufacturing sector the engineers are responsible for safety of materials and well organized planning, managing and maintaining the production method and processes.

Key Market Drivers for Indian Manufacturing Industry

1. There is demand for increase in the investment level of manufacturing sectors in India
2. The manufacturing policy proposes to raise the GDP to 25% and creating 100 million jobs in coming decades.
3. A procurement policy suggest to incorporating the technology to endorse Micro, Small and Medium Firms.

History

Manufacturing industry came in to existence in technological and socioeconomic conversions in western countries in the 18th -19th century.it is also called as industrial insurgency.it was started in Britain in labour intensive textile production by using fuels.

- Before the industrial revolution, most of the manufacturing process was done in rural areas. These were done in the houses.
- Toll manufacturing is the arrangement where the first firm processes the raw materials for a second firm.
- In the previous stage, the manufacturing was done by a single skilled person with assistants.

Technology

Development of Technology is very important for improvement of productivity, efficiency and competitiveness of industrial sector in every manufacturing industries. These are classified in three levels:

- It involves ability to operate and uphold on new plant with imported technology.
- It consists of the ability to copy and modify the imported plant and elsewhere in the country or abroad.
- It involves the capability to start new design to develop new production system.

Factor costs are replaced by technology related factor such as zero deficit product quality and quality assurance system in determining international competitiveness. A large number of manufacturing firms are in the problem of basic or intermediate level of technological capabilities.

In India at present, there are firms which are nearer to international limit in terms of product design, technology, inferior quality and high costs. It effects on the organization which increases competition.

India has been spending 0.8% of its GDP in R&D activities which is less than other developed countries. China and Brazil spent more than India on R&D.

Today India is a diversified capital base competency to complex requirement and demand where the growth is driven in the other sectors.

Future Outlook

Engineering Sector is growing market due to favourable policies, government spending, and investment opportunities in this sector. Due to this it results in growth of engineering and manufacturing sector. Due to high spending in manufacturing services it is expected to rise US \$1.1 Trillion by 2020. As per union budget of 2014-2015 has allocated fund on the engineering sector. There are emerging trends like outsourcing which provides opportunities to the engineering sectors. In India, it is estimated that by 2020, India can be a USD 40 billion market for outsourcing services.

Industry Growth

The export in India stood up to US \$ 65.23 billion in financial year 17. It registered a growth at a CAGR of 7.61 percent. In August 2016, the total exports in India in 25 places registered a growth of 5.8 percent in August 2015. It includes transport equipment's, capital goods, and other machinery equipment's. The export was USD 65.23 billion in financial year 2016-17 which beat shipments of USD 58.8 billion in 2015-16. In 2016, engineering export was reached at US \$58.8 billion. Among the exports transport equipment's contributes highest in engineering sector. It holds 32.46 percent from total engineering exports. The markets available for engineering products are USA, China, Germany, UK Canada, France and many more. Export of iron and steel products holds a market share of 22.44 percent while industrial machinery included 23.85 percent of total export. Other commodities like hand tools, machine tools, office equipment's etc having a share of 10 percent of the exports from India in financial year 17.

1.2 COMPANY PROFILE



Model Infra Corporation Private Limited manufactures earth moving and construction. Equipment. Its products include buckets for excavators and wheeled/backhoe loaders, track frames, chassis structures, arms/lift arms, booms, swing carriages/structure for backhoe loader chassis products. The company was formerly known as Model Buckets and Attachments Private Limited and changed its name to Model Infra Corporation Private Limited in December 2009 .Model Infra Corporation Private Limited was found in 2000 and is based in Bangalore, India.

This company has 18+ years of serving the biggest names in construction equipment mining, defence, railways and others. Since 2000 Model Infra Corporation has been a confidential supplier of manufacturing across a variety of industries including construction, defence power projects, ports and others. Led by an expert management team with over 200+ years of combined experience across industries. Model Infra Corporation is renowned for its delivery record. They pride their selves on their ability to get a better track record in the world of manufacturing and production. Dharwad in 2000, MIC has been developed to gain experience beyond manufacturing and leading consortia in EPC projects and in equipment assembly.

We have endeavoured to improve our capabilities through partnering with reputed names. Model Infra Corporation can engage with customers in the design and engineering phases of the market. It also has ISO 9001: 2008 certified company and robust processes, controls and reporting. Place that allows us to operate at optimal efficiency levels and minimizes wastage. MICs also have a strong network of sub-contractors, which are able to quickly ramp up when required by customers.

MIC has access to state of the art design technology and infrastructure capably supported by strong processed a motivated workforce to help clients and complex requirements.

Name of the company : Model Infra Corporation Pvt Ltd Verna, Goa

Established In : December 2000

Address of the Head office: Model Infra Corporation Pvt Ltd

104, Doddaballapur Industrial Area,

Majara HosahalliHobli, Doddaballapur,

Bangalore-581203

Nature of the organization: Basically this company deals with heavy fabrication of

Manufacturing buckets

Type of organisation : Model Infra Corporation is a private limited company

Nature of business : Manufacturing, Export and Import

Number of Machine : 145

Number of Office Staff: 13

Number of employees at factory: 140

CUSTOMERS

- Putzmeister
- Tata Hitachi
- JCB
- Kobelco
- Komatsu

1.3 Vision, Mission, Quality Policy

❖ Vision Statement

To be recognised as globally respected engineering & manufacturing company among metal fabrication application, continually adding value to all stakeholders.

❖ Mission Statement

To be a 500cr Company by 2020 generating sustained returns higher than the cost of capital to benefit all stakeholders.

❖ Quality Policy

We are committed to achieve Customer Satisfaction by manufacturing world class engineering products through Continual Improvement in manufacturing processes and Implementation of latest technologies.

❖ Quality Objective

- To achieve on time delivery by 100%
- To achieve customer satisfaction by 100%
- To achieve zero percentage rejection.
- To reduce overall machine breakdown by less than 2 hours.
- To implement minimum 2 continual improvement projects every year.

❖ Quality Management

MIC has a strong focus on total quality management and has implemented several processes and controls to ensure the highest level of adherence to quality standards.

❖ Core Values

- Integrity
- Innovation
- Partnership
- Passion
- Environment

1.4 Product /Service Profile

MIC products and service span the value chain from manufacturing components to project management which are as follows:

❖ Fabrications Manufacturing:

For more than a decade MIC has been reliable partner for clients with time critical and custom fabrications needs across a broad range of sectors and for a diversity of structure.

❖ Equipment assembly:

MIC has experience with equipment assembly and integration of components including fabrications, electronics and hydraulics. Recent Experience: Assembly of object laying machines for Indian Defence sector.

❖ Project Management:

Erection and commissioning of EPC projects, we recently under took the erection of a coke oven plant in Goa for a client as the principal partner in a partnership with Vecon of Germany.

❖ Product Design:

We have helped clients customize their existing products for launch in the Indian market and with launch of new indigenous products. Manufacturers of original earthmoving equipment's and spares.

❖ Product Manufacturing:

Non fabrication products manufactured under the MIC brand. Our first product will be a tire Pyrolysis machine which we will be selling to customer in Indian market.

1.5 Areas of Operation

Bangalore Plant

Model Infra Corporation Pvt Ltd

104,Doddaballapur Industrial Area,
MajaraHosahalliHobli, Doddaballapur,
Bangalore-581203

Dharwad Plant

Model Infra Corporation Pvt Ltd

221,KIADB Industrial Growth Centre ,
BelurDharwad -580011
Karnataka

Goa Plant

Model Infra Corporation Pvt Ltd

L-3
Verna Industrial Estate,
Goa -561203

Pune Plant Unit 01

Model Infra Corporation Pvt Ltd

Lot No. 10 Gate No.679/2
BalajiIndustrail Area ,
Tal-Khed,Dist- Pune 410501
Maharashtra

Pune Plant Unit 02

Model Infra Corporation Pvt Ltd

Survey No.34,A/P Solu,Alandi,
Tal -Khed ,Dist -Pune 410501
Maharashtra

Chennai Plant

Model Infra Corporation Pvt Ltd

Indo Space Logistics
Park,POLIVAKKAM VILLAGE
SRIPERAMBADUR
THIRUVALLUR
Main Road TamilNadu -602002

1.6 Infrastructure Facilities:

1. Production Plant and Machinery:

MIC has sophisticated and very good layout for plant and machinery and they have modern machines and latest technology and tools used for production and it also ensures safety of each and every worker and provide good working condition by providing them good facilities.

2. Security and Fire Fighting Facilities:

MIC is having very good facility with security and modern facilities.in order to be ready in case of fire they have adequate fire fighting devices and training would be given to employee in the batch wise and required number of security persons are kept at each place in order to provide security for workmen and material at entry gate and exit gate.

3. Loading ,Unloading and Material Handling facilities:

Loading ,Unloading and Material handling facilities would be done by both regular and casual temporary worker.as far as the work is concerned raw materials are brought from the various transport office where it is been grouped country wise and state wise for this vehicles such as truck, and vans are used.

4. Canteen Facilities:

Nutritious and hygienic food is served at lower price for the employees of the company. Healthy food at different menu ie alternative day's menu is changed. The canteen is hygienic as well furnished. This canteen also provides tea/coffee at least twice a day.

5. Work Shop and Maintenance :

Work shop which is the part of management service mechanizes and technicians within the company would repair the machines, tools and vehicles. Outsiders are only called when problem arises. All the consumables are provide by the company for regular maintenance of the machines.

1.7 Competitors Information

Apex Auto Ltd

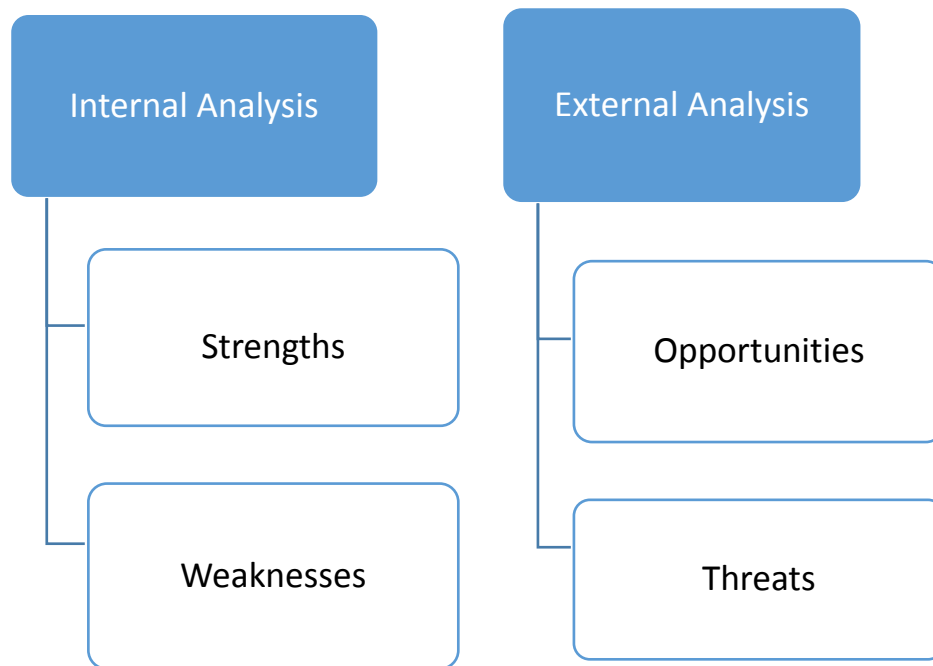
Hard Rocks

Ballad Auto Ferum

TML Asway

Sapana Ceramic

1.8 SWOT ANALYSIS



Swot Analysis related to Model Infra Corporation Pvt Ltd

Strengths:

- ❖ MIC has strong customer relationship who buy products with them
- ❖ Model infra corporations are the market leader with multi-processing ability of dispatch, sales and service.
- ❖ In India product has got bigger brand value than case of others.
- ❖ MIC mainly deal with Exporting their products to Australia, USA, and Newzeland

- ❖ MIC has fully computerized departments and production units
- ❖ MIC are more confidence of their buyers and customers

Weakness:

- ❖ Maintenance cost in Model infra corporations is very high
- ❖ Model infra has got only limited branches across world.
- ❖ Lack of access to key distribution channels

Opportunities:

- ❖ They have immense opportunities in India as infrastructure is developing at faster pace
- ❖ There are huge available opportunities
- ❖ Since there are only few competitors they have got opportunities for global competition
- ❖ Model infra corporations has got high chances to get more products to manufacture from the purchaser

Threats:

- ❖ Model Infra corporation Industry is one among with those with great competition
- ❖ All the competitors are changing their strategies and formulating new government policies.
- ❖ More qualified competitors

1.9 Future Growth and prospectus

Model infra corporation being a leading leader in manufacturing industry has an excellent future, because modern business is becoming globalized which means that the adoption of global position for type business and business strategies aimed at pretty global competitiveness. Due to liberalization of financial side policies business has a bright future since the company mainly involves in the sale of the products to the customers but there is wide scope for the exports .since the company deals with more number of exports then the domestic customers .Model infra corporations export their products to the countries like US Australia Newzeland they are likely making more number of profits from the turnover of the exports made.

1.10 FINANCIAL STATEMENT

Particulars	As at March 2018	As at March 2017	As at March 2016	As at March 2015	As at March 2014
Equity and Liabilities					
(1) Share Capital	2126211590	212621190	2126211590	2126211590	1976201220
Reserves and Surplus	103156269	21367090	(11809439)	(32365718)	(108262203)
(2) Non-current Liabilities					
Long term borrowings		-	-	82241	546497
Long term provisions	2379201	2749845	1635765	8386794	3761219
(3) Current Liabilities					
Short term borrowings	(75199578)	(85176248)	144424796	121347033	83582270
Trade Payables	108071128			97885232	73758384
- Due to MSME Vendors		565234	835678	-	
- Due to Others		113888053	80869217	-	
Other Current Liabilities	2690063	3953731	4338968	2889134	13682128
Short term Provisions	395855	910231	1061329	2456301	2120644

Total	2267704528	2184469525	2347567903	2326902607	2045390159
Assets					
(1) Non-current asset					
Tangible asset	152748180	150321503	155191726	167817812	17544885
Intangible asset	28382	131870	235360	273070	-
Capital work in progress	-	11295103	8826030	4478867	9031125
Non-current investments	465090894	404169540	404169540	404169540	419169540
Long term loans and advances	6738211	1182178	2995670	946208	946208
Other non-current balances	-	14005323	24079063	-	-
(2) Current assets					
Inventories	91236717	73902631	62758198	78238520	77114708
Trade receivables	120091572	104440101	89131547	90240895	118033218
Cash and cash equivalents	26738321	17104949	14232308	8145017	25201793
Short term loans advances	40269287	100141648	38478543	47825097	34137760
Other current assets	1216134	4217038	-	-	338173
Inter branch balances	1363546829	1303557641	1547469919	1504707000	1181590525
Total	2267704528	2184469526	2347567903	2326902607	2045390159

CHAPTER-2

CONCEPTUAL BACK GROUND AND LITERATURE REVIEW

2.1 Theoretical background of the study

Inventory is one of the main assets of every companies, inventory represent 60 percent of total invested capital. Companies have identified that inventory management is crucial from companies' point of view but the problem faced by all company is that how to strike a balance carrying the right quantity of inventory.

Carrying fewer inventories is a benefit because by doing so fewer amount of cash stands blocked on the shelves of a store and thus that money can be utilized for some other purpose. at the same time if there is a shortage of raw materials due to fewer inventories and if we are not able to cater to the customers to your product substitutes. so from this we can clearly visualize that the delicate balance of reducing cost and maintaining the right quantity of inventory is crucial.

Inventory is a list of all goods and materials themselves, which are held available in stock by a business. The term inventory refers to the stock pile of the products a firm is contributing for sale & the components that make up the product. The assets which firms store as inventory in anticipation of need.

The raw material inventory contains those items that are purchased by the firm from others and are converted into finished goods through the manufacturing process. They are an important input of the final product like plates, boughtouts, consumables these are the raw materials where the firm purchase them from different vendors.

Basics reasons of keeping an inventory

There are three basics reasons of keeping an inventory:

1. **TIME:** time represents the supply chain from the suppliers to user at every stage; it requires that the firm maintains certain amount of inventory to use in this "lead time".
2. **UNCERTAINTY:** Inventories are maintained to see that they meet the demand and supply of the customers and also the movement of goods takes place.
3. **ECONOMIES OF SCALE:** here the basic principle applies "one unit at a time at a place where user needs it "this principle states there is bulk buying of stock and storing them in the store so that there is no shortage in the stores.

4. Demand, supply and movement of goods.

Cost Associated with Inventory

- Cost of production
- Cost of capital
- Cost of ordering
- Cost of carrying

Types of inventory

- Raw Materials Inventory
- Work in Progress
- Finished goods.
- Maintenance & repair Inventory
- Stores and supplies

Inventory Control

As stated earlier inventory comprises stock of raw materials, work in progress, finished goods, tools, equipment and components. Inventory control means control over different components of the stock. It is defined as “physical control of stock items and implementing the principle and policies relating thereto”. It aims at optimum utilisation of financial resources of the firm. This objective is well served where inventory is maintained at the lowest level without disturbing the continuous flow of materials into production activities.

Purchase and Store Procedure

Purchase Department

The main functions of purchase department are as follows:

- To ensure proper supply of materials to encourage continuous production
- Buying right type of materials in required quantity, at right price from the right source.

- Maintaining adequate stock at minimum investment and cost.
- Minimising the possibilities of wastage,obsolescence,duplication and delay in supply of materials
- Selecting the suitable source of supply and also developing the alternative source of supply
- Maintaining the quality of raw materials bought

Purchase Procedure

Purchasing involves different designed to achieve maximum efficiency. These steps or procedure vary with different business firms. However, the following procedures are followed by medium sized and big concerns in purchasing materials.

- Receiving Purchase requisition
- Selection of source of supply
- Inquiry for tenders and quotation
- - Selecting the suitable source
- Placing the order
- Receiving and inspection of materials
- Material inspection note
- Goods received note
- Approval of invoices
- Pricing of receipts

Store Department

A number of functions are performed by stores department depending upon the size of the organisation and the importance attached to store keeping. But the usual functions of a stores department are as follows

- Preparing purchase requisitions for general items of stock
- Receiving of goods into stores
- Providing security to goods by arranging them at appropriate places
- Avoiding damage and deterioration
- Classification and coding of materials
- Issue of materials to production and service department
- Maintaining stock records

- Maintaining proper stock levels
- Providing stock information when required
- Verifying stock at regular intervals
- Minimising storage handling and maintaining costs
- Preventing entry of unauthorised persons in the stores

Store Procedure

- Checking and accepting of all materials.
- Identifying and checking each materials received with the code numbers placing them in the respective bins.
- Recording the quantities received and issue made on bin lards or stock ledger consisting the perpetual inventory records to know the issue made and differentiating them with opening stock and closing stock
- Issuing of materials or supplying of materials for the usage that is made according to the proper requirement.

Inventory Control Techniques

1. Fixation of stock levels

Material control aims at providing enough materials to the production activities without any delay and stoppage of production activities. It also aims at keeping the investment in inventory at the lowest possible level, these twin objectives operate in opposite directions the former favours over stocking with a view to facilitate continuous supply of materials but the latter favours carrying limited stock to keep the investment at the lowest level. Stock levels are fixed considering the following factors:

- Lead time
- Consumption rate
- Storage facility
- Risk of loss involved
- Supply condition
- Change in demand ,production techniques

2. EOQ (Economic Order Quantity)

The basic impartial of inventory control is to carry sufficient stock of different items of inventory at the least cost this involves a basic problem namely what amount of each item of inventory should be well-ordered at a time while answering this question the factors to be considered are inventory carrying costs and ordering costs.

Inventory carrying costs include warehouse charges, insurance, heat, loss due to pilferage breakage, spoilage, and cost of capital, preservation, maintenance, and obsolescence. These costs change in quantity to the quantity of inventory stocked.

Inventory collection costs refer to the cost of preparing and placing orders frequently handling of transportation cost, higher prices due to small scale purchases, and frequent shortage of materials disturbing continuous flow of production and selling activities.

The inventory carrying cost is the minimum where minimum amount of inventory is held in stock but in such cases ordering costs increases because small quantities are bought at each order and therefore more orders are to be placed.

3. ABC Analysis of stock

In large manufacturing concerns inventory consists of thousands of items.it is very difficult to control each of these items individually. Therefore these items are divided in to minimum groups for the purpose of inventory control. This classification is based on different considerations.

ABC analysis of stock classifies stock items are based on importance and value. Here in this method raw materials are classified into three groups A, B and C. In A classit consist of high priced and large value items' class consist of medium priced and intermediate vale items and the last category consist of low priced and lowest value items.

“A” category represents 5% to 10% of the total items in the stores and 70% to 85% of the total inventory value.”B” category constitutes of 20% to 30% of the inventory items and 25% to 30% of the store value and the “C” category constitutes 70% to 80% of the total items representing 5% to 10% of the stores value.

These few items are controlled by the perpetual inventory method, lead time can be analysed to the fullest extent and minimised, usage handling and consumption of such materials can be subjected to the most rigorous and sophisticated forms of control.

4. Safety stock

Day by day the demand for the raw materials will fluctuate. There will be difference between the normal lead time and actual delivery time. If the actual usage rises or the delivery of the inventory is deferred then there are chances where the firm can face a lot of problems of stock out which can be more costly.

Safety stock = lead time x average consumption

5. Inventory Turnover Ratio

Inventory turnover ratio is the turnover during a particular year. Liquid assets forms a great inventory turnover ratio which is generally optimistic. It tells us how debauched a company substitutes the current lot of inventories and converts them into sales.

Documents authorising material issue

Material Requisition

The chief document authorising the issues is the material requisition or stores requisition .it is normally made by the production department and control department and signed by the authorised persons. The store keeper sends the first copy to the cost office and retains the other copy for his record. While issuing the materials the store keeper must ensure that the material requisition note is complete and correct in all respects.

Bill of Materials

It is complete list of all raw materials, supplies and parts essential for a particular job, workorder, process or operation .it is also called “Specification of materials” it is an estimation of standard requirement of raw materials for a specific process and job.

It is prepared by the production department on receiving orders from the customers. It is prepared in four copies. Production planning department keeps one copy for future reference and one copy is sent to production department, costing department and stores department.

A bill of material serves the following information:

- ❖ It substitutes material requisition
- ❖ It gives advance information to the store keeper about future requirements of materials.

- ❖ It is an authorisation to the storekeeper for the issue of materials from the stock
- ❖ It may be used as an authorisation for procurement of materials, if they are not available in stock. It eliminates the need for the issue of purchase requisitions for items not available in stock
- ❖ It may be used as a guide for controlling consumption of materials as it provides a detailed list of materials required for each job
- ❖ It may be used as a basis for making entries in the stores ledger and cost ledger.

Material Return Note

Materials issued in excess of the requirements of a particular job or materials of unsuitable quantity or materials which are not used in that job can be disposed of either by returning the excess materials to the stores or transferring them to other jobs.

Excess materials returned to stores should be along with a form called material return note. It is prepared by the department where the material is in surplus or the supervisor of the job on which the material is in excess. The note is sent to storekeeper who will make necessary entry in bin card. Material return note is exactly similar to a material requisition note, but printed in a different colour.

Material Transfer Note

If materials are transferred from one department or job to another within the organisation, a transfer note is to be prepared. It is a record of the transfer of materials between stores, cost centres, jobs, and departments work orders showing all data for making necessary accounting entries. Supervisor of the receiving job or department signs the material transfer note sent with the materials. The form will be sent to the cost accounting department for pricing.

Pricing of material issues

Pricing of material issue is simple where materials are bought in one lot and issued fully to a specific job, the whole amount of purchase will be charged to that job or where prices of material remain constant over a long period, the material cost remains the same. Difficulties arise where materials are purchased at different price at different periods. There are number of methods of pricing of material issues, which are as follows:

- FIFO
- LIFO
- Simple average
- Weighted average

2.2 LITERATURE REVIEW

1. **Shin, Seungjae, Ennis, Kevin I. Spurlin & W. Paul (2011)** All manufacturing company apply effective inventory management, there is limited evidence of improved financial performance related to inventory management practices this shows that a low ratio of inventory to sale for a company can obtain high profit from increased efficiency compared to medium and large company.
2. **Ram Krishna Rao (1977)** Highlights the problem on inventory control and classifies the cause of inventory accumulations as internal and external. According to him Unrealistic Government policies with regard to import license and erratic delivery schedule and long lead times are responsible for inventory accumulations.
3. **Stephen A Takim (2014)** Identifies about the effective inventory management and control using flour Mill Company. It helps to learn about the ability to achieve inventory level with the measurement like inventory ratio. The research helps to investigate effective inventory controls which identify the performance of the inventory by applying Just in Time Method and taking the samples and getting the results through the questionnaire and through accounting analysis
4. **Balakrishna V Selvaraj (2014)** Explains about how to manage inventory with the objective of evaluating and examining the inventory with 5 samples. The samples indicate through accounting and statistical tools. They have compared the inventory ratio of 5 different companies for 10 years which have proven that relation between the costs of goods sold and inventory which is highly positive and concluded as satisfactory
5. **Dr Mohammed Shafi (2014)** In Singaporean journal of business economics and management studies explains the performance of inventory management in textile industry which increases the level of business and optimize the size of inventory for smooth performance. There are various methods of inventory models, various terminologies to understand the concept which one is better to increase profitability. It is also concerned about proper maintenance of inventory as per the future demand of the products.

6. **Dr Ashok Kumar Panigrahi (2013)** In Asian Journal of Marketing and Management review clarifies and gives the depth review on the inventory management practice and its impact on working capital efficiency. Its main objective is to provide the best customer service within the lowest inventory cost. They have used certain data by applying through certain regression concepts. Its main purpose is to examine the relationship between inventory conversion period and firm's profitability.
7. **Eleonora Kontus (2014)** this article explains about dependency between company level of inventory and profitability. The article has been calculated as per the statistical formula. The aim of the paper is to contribute the analysis with inventory and profitability where higher inventory costs results in increased costs and contributes for their net earnings
8. **Ahmad Kamilah & Shafie Mohamed Zabri (2016)** the inventory management acts as a factor in identifying how company controls its inventory flow. In micro enterprises they maintain inventory both systematically and unsystematically. The main activity of micro enterprise is to buy and store the inventory, the knowledge and skill of the manager plays a major role in proper control of the inventory.
9. **Schmelzer. P (1976)** the banking sector maintain various inventories to satisfy their customer. The various cost involved in maintaining the inventories are: cost involved in maintaining, and the cost involved in allocation of such inventories to different departments. The bank usually will not inquire about the inventory turnover. The most accurate way to measure inventory in bank is to find the ratios of inventory to assets so that it is easy to identify the trends involved in supply costs. The inventory manager in bank has to analyse the profit same like they do in the industry.
10. **Besta. P, Janovska. K & Lampa. M (2012)** the crises of the economy have impact on the industries, therefore they are forced to save in all areas. The industry have to make a proper purchase planning and utilise the inventory so that they earn profit. They have to maintain inventory in such a way that they are not over-stocked or under-stocked. The firm should be able to meet the demand of the customers.
11. **Capkun, Vedran & Lawrence (2009)** the study was to find the relationship between the total inventory and its separate components, and its impact on the financial performance. The interrelation between the components of the inventory and the financial performance slightly vary based on the type of inventory used in their manufacturing process.

12. **Shin & Seungiae (2015)** the study which was conducted in the manufacturing organisation reveals the relationship between the financial profitability and inventory management. In many manufacturing firms if they concentrate on the inventory management there is a decline in the financial standard of the organisation. The small organisation take advantage from the inventory when compared to the medium and large firms.
13. **Worthington & Paula. R (1998)** the study states that business cycle does not reveals the behaviour of the inventory. The rapid changes in the inventory management has reduced in the manufacturing firm. The changes in the inventory investments varies according to the sectors.
14. **Kontus & Eleonora (2014)** the primary study was conducted to analyse how the organisation balance its inventory and secondly, to know the dependency between inventory and profitability. The inventory should be managed taking into consideration both the profitability and the carrying cost involved in maintaining such inventory. The inventory level in the organisation has to be changed so as to improve the profit.
15. **Biggart & Timothy. B (2002)** just in time has changed the concept of the inventory management. This study focuses on the impact of Just in Time on inventory to sales ratio. It reveals that inventory to sales ratio reduce after implementing JIT; but there is no change in work in progress to finished goods and sales ratio.
16. **Sha & Ping BA (2014)** the study reveals that demand forecasting acts as a basis for inventory management. A proper maintenance of inventory helps the firm to withstand the competitiveness of the firm. The firm has to first understand the demand for the product and analyse the inventory required for the meeting the demand and it is easy for the firm to reduce the cost involved in the inventory.
17. **Denton. D & Keith (1994)** the syntax agribusiness reduced their inventory by assigning the responsibility to the purchasing department to evaluate the vendors and eliminate. The proper flow of the inventory from the suppliers helps the firms to reduce the cost of inventory. The proper planning by the top management helped to reduce the inventory cost.
18. **Reynolds & Dennis (1999)** the study was conducted in a food industry which has diverse menus which frequently changes. Therefore the author suggest that the inventory has to be periodically analysed to know the inventory turnover through which the operator can maximize the inventory investment and they can measure the process of inventory

management so that they identify the problems and overcoming such problems and improving the practices of the inventory management.

19. **Anonymous (1992)** the data of inventory is necessary for the firm to analyse its profit and it helps to understand the working of the business. The inventory includes the items required by the firm to produce a finished product eg: raw material, semi-finished goods, and finished goods. The modern technology helps the firm to keep a track on the inventory which are moving in and out of the organisation
20. **Dubelaar & Chris (2001)** the proper maintenance of the inventory helps the retail industry. The survey says that the sale is double the inventory. The author tells that there is a relationship between the inventory and sales.

CHAPTER-3

RESEARCH DESIGN

3.1 Statement of the Problem:

Any organisation, investment in materials form a major portion of investment and there is a need for maintaining optimum level of inventory so that there is neither over stocking nor understocking .when materials are purchased it leads to blocking of funds and working capital gets affected.

The present research lays an emphasis on management of inventory by Model infra corporations and tools and techniques adopted to maintain optimum level of inventory .inventory at MIC comprises of raw materials, work in progress, stores, spares and finished goods. This is a major portion of current asset.in manufacturing sector raw materials comprises more than 60% of the cost of production.

Optimum investment in inventory will ensure smooth production process, supply of goods to clients in time, reduces cost of holding inventory and therefore profitability. Inventory management techniques which will ensure neither excess nor shortage of inventory should be adopted by all business organizations. In this environment this study tries to analyse the inventory management techniques at MIC.

3.2 Need for the Study:

- To properly manage the raw materials at the time of production.
- To identify the operation of inventory management.
- To deliver product safely to the customers.
- To analyse the economic order quantity to direct actual quantity of raw materials.
- To know the company inventory management policy.
- To know the yearly inventory purchase in inventory of the firm.
- To find inventory turnover in the year.

3.3 Objective of the Study:

One of the significant objective of inventory management is to decide and uphold an most favourable level of investment in the inventory. Most of the company now a day applies the inventory planning and management. Some of the other objectives are:

- To assess the inventory position in the MIC
- To evaluate the EOQ of the selected raw materials consumed
- To examine the consumption level of raw materials, WIP and finished goods for 4 years.
- To study the inventory turnover ratio of MIC

3.4 Scope of the study:

Inventory management is important for all organisation, firm and companies. Now a day's inventory management is the integral parts of all companies. Inventory management become most important part of company. The main principle of this study is to find the management of the inventory in Model Infra Corporation Pvt Ltd this study mainly focuses on the inventory management that is implemented by the Model Infra Corporation Pvt Ltd to control inventory.

3.5 Research Methodology:

It is analytical study in nature and in which analysis of the inventory management and techniques to inventory are followed it is an analytical research on the techniques of MIC Pvt Ltd. The project research was primarily conducted using company reports, MS Excel was used to perform cross section and time series analysis of the data. A lot of data was collected through online publications and research report .qualitative aspects about the company's performance was obtained by talking to the employees and staff.

Sources of Data:

➤ **Primary Data**

Primary data is the data composed through gathering the information from different department managers and officers of the company to get the information about the company and its activities.

- Having face to face discussion with company officials
- By taking guidance from the company guide and staff members.

➤ **Secondary Data**

For gathering secondary data various other sources were used they are as follows:

- Different accounting records, annual reports of the company
- journals, websites and published annual reports of the company
- Industry Profile
- Company Profile
- Vision ,Mission and Quality Policy
- Product /Service Profile

3.6 Limitations of the Study:

- Detailed study about all the raw materials was not potential because of the time border.
- Some of the information was kept secret.
- Study was confined only to an inventory of raw materials.
- The study was based on lot of assumption and forecast.

CHAPTER - 4

ANALYSIS AND INTERPRETATION

4.1 Raw materials turnover ratio:

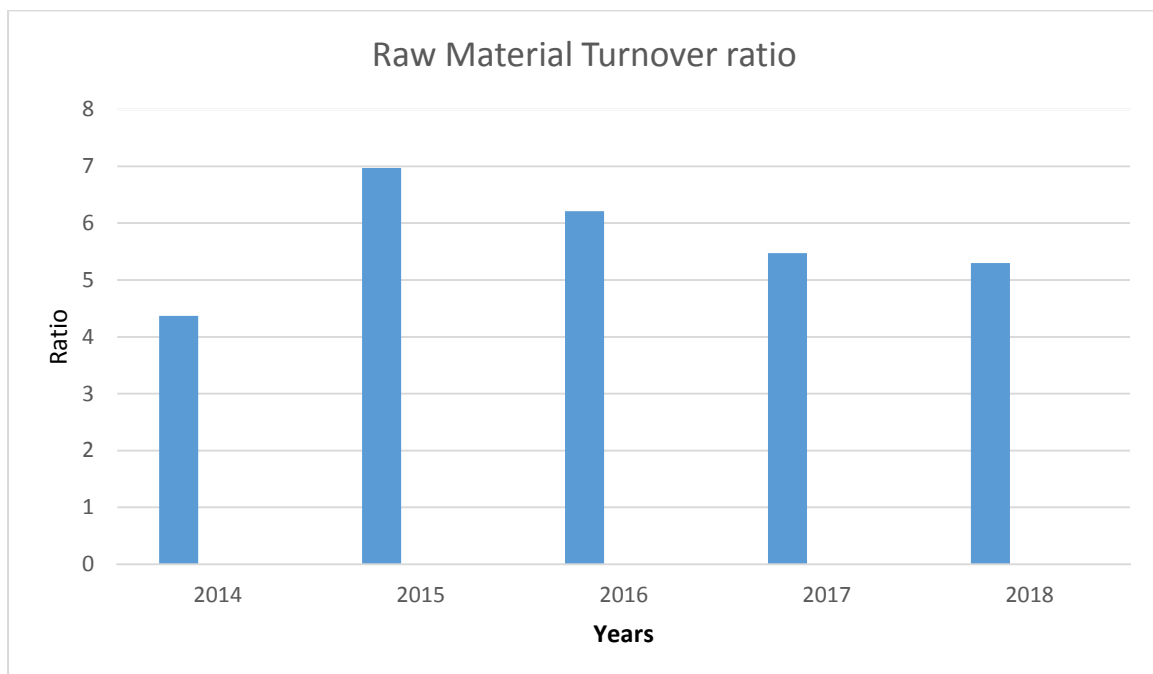
Raw material ratio is the ratio at which raw materials are transformed into goods which are prepared for sale.

Formula: $\text{Material Consumed} / \text{Average raw material}$

4.1 Table showing Raw Materials Turnover ratio

Year	Raw material consumed	Average raw material	Ratio
2014	240755363	55111932	4.37
2015	390816973	56046430	6.97
2016	270755837	43589244	6.21
2017	273976629	50095248	5.47
2018	338532666	63876356	5.30

4.1 Graph Showing Raw materials turnover ratio



Interpretation:

In the above graph it explains about raw material turnover ratio in 2014, the ratio was 4.37 which was increased by 6.97 in the year 2015 and then decreased year by year of 2016 and 2017 with 6.21 and 5.47. It means in 2014, it explains that 4.37 times of the raw materials is consumed and the consumption level of the raw materials decreased till 5.30 in 2018.

4.2 Holding period of raw material (In Days)

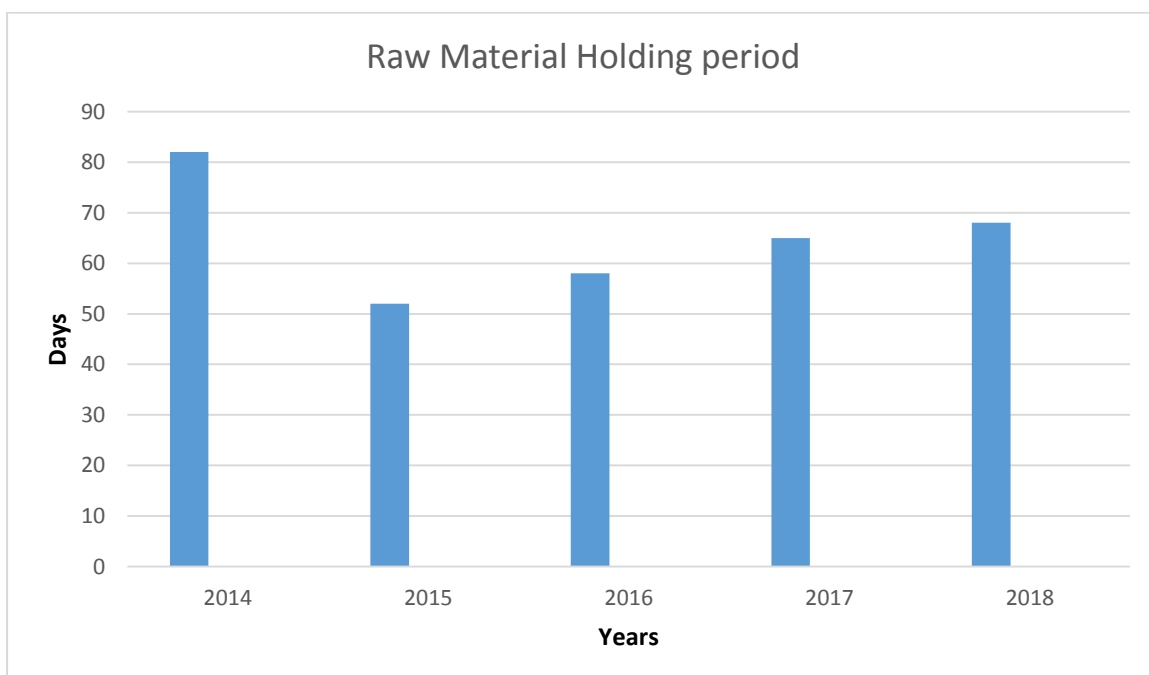
It refers to the number of daystaken to manufacture unit to convert raw material to finished goods.

Formula: $360/\text{Raw material turnover ratio}$

4.2 Table showing holding Period of raw materials

Year	Total Days	Ratio	Days
2014	365	4.37	82
2015	365	6.97	52
2016	365	6.21	58
2017	365	5.47	65
2018	365	5.30	68

4.2 Graph showing Raw material holding period



Interpretation:

In the above graph it reveals about the holding period of the raw materials where in 2014 it was 82 days, it means the raw materials which are available in the warehouses and the goods are sent for the production for these many days. Then in 2015 it was 52 days which increased from 58days, 65days, 68days in 2016, 2017, and 2018

4.3 Work in Process Turnover ratio

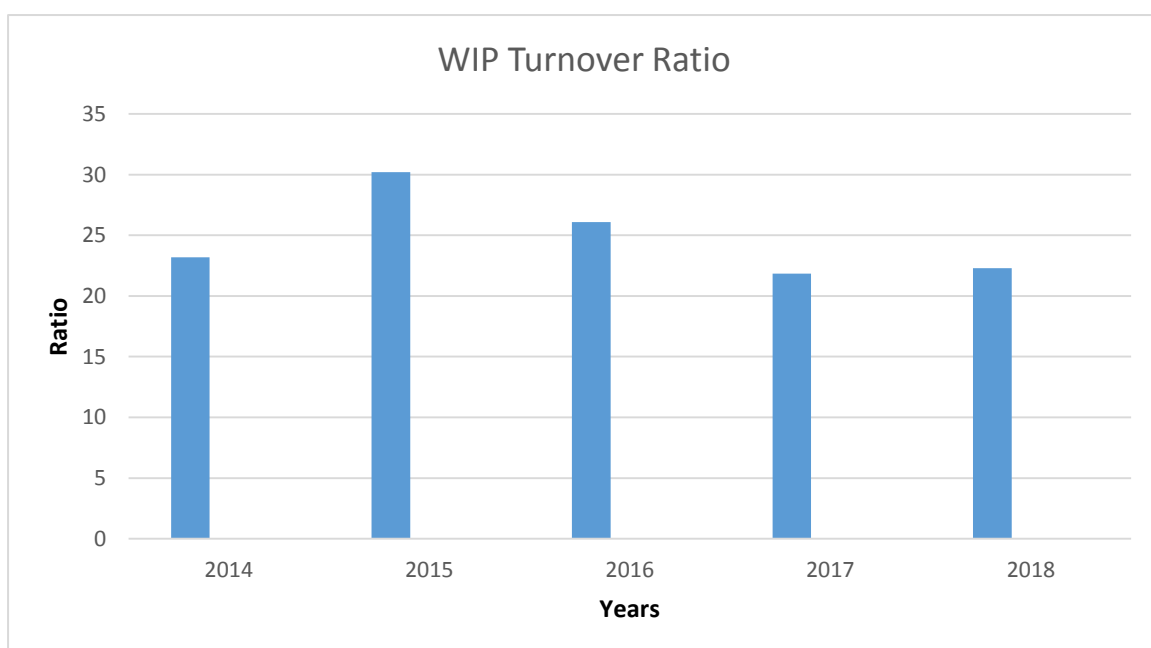
Work in process turnover ratio is speed at which W.I.P converted into goods ready for sale. If W.I.P turnover ratio is high then company is efficiently converting into finished goods.

Formula: Cost of production/Average W.I.P

4.3 Table showing work in process turnover ratio

Year	Cost of Production	Average W.I.P	Ratio
2014	425016781	18335646	23.18
2015	558850901	18493408	30
2016	416662702	15974128	26.08
2017	433223265	19839467	21.84
2018	508055615	22800301	22.28

4.3 Graph showing work in process turnover ratio



Interpretation:

In the above graph it reveals about the ratios which are higher which indicates about the goods which have incurred more expenses like labour and overhead. In 2014 the turnover was 23.18 which increased in 2015 by 30 and decreased by 26.08, 21.28 in 2016 and 2017 and increased by 22.28 in 2018.

4.4 Holding Period of W.I.P (In Days)

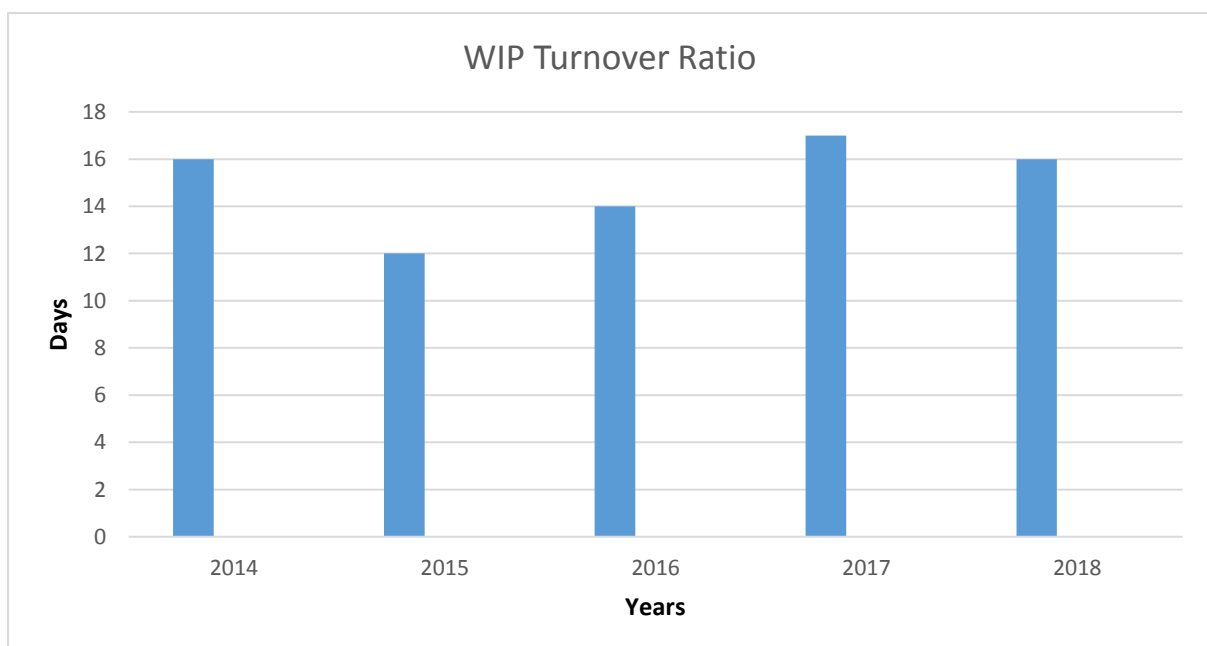
It refers to the number of days taken by the firm for the production unit to convert semi-finished goods into finished goods.

Formula: $365/W.I.P \text{ turnover ratio}$

4.4 Table showing Holding period of work in progress

Year	Total Days	Ratio	Days
2014	365	23.18	16
2015	365	30.21	12
2016	365	26.08	14
2017	365	21.84	17
2018	365	22.28	16

4.4 Graph showing holding period of work in process



Interpretation:

In the above graph it reveals about the holding period of the WIP in this the days are low compared to raw materials holding period where it took many days for production. In this table the goods which are not fully produced which takes less time to complete the work. In 2014, it was 16 days which was decreased in 12 days in 2015 and increased in 14 days, 17 days in 2016 and 2017 and then decreased in 2018 by 16 days

4.5 Finished Goods Turnover Ratio

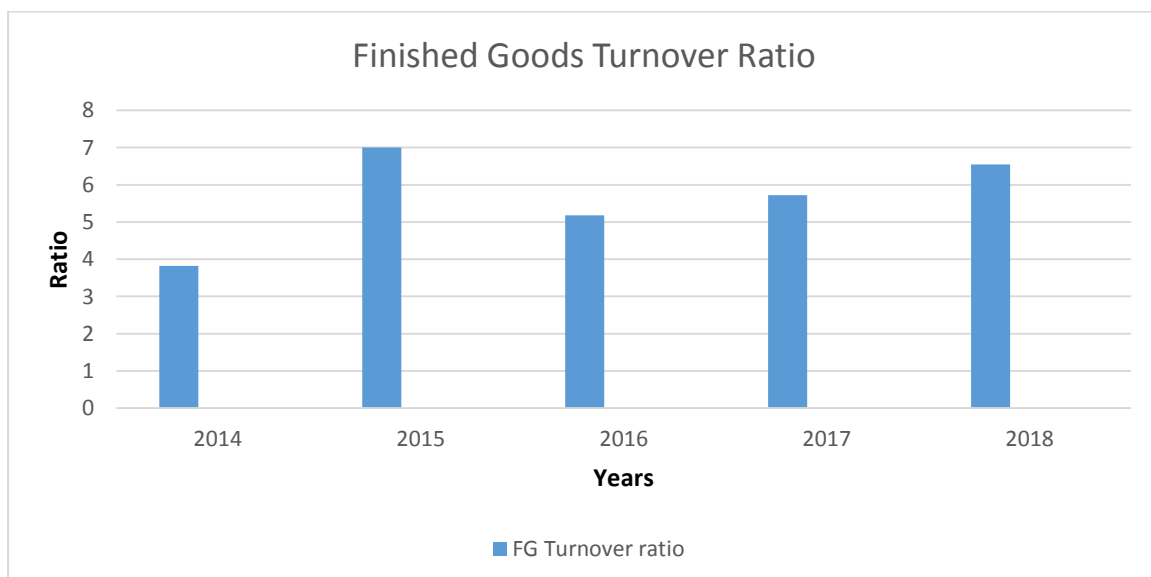
Finished goods turnover ratio is speed at which finished goods transformed into for trade. If finished goods turnover ratio is high then company is efficient.

Formula: Cost of goods sold/Average finished goods

4.5 Table showing finished goods turnover ratio

Year	Cost of goods sold	Average Finished goods	Ratio
2014	240755363	63049841	3.82
2015	390816973	55800319	7.00
2016	270755837	52188933	5.18
2017	273976629	47862308	5.72
2018	338532666	51642794	6.55

4.5 Graph showing finished goods turnover ratio



Interpretation:

In the above graph it reveals about the finished goods turnover ratio. In 2014, it was 3.82 which mean the goods which are fast selling inventory. As following in 2015 it became 7.00 times the goods sold to the customers. Then in the further year the goods were sold and in 2018 it came till 6.55 in 2018.

4.6 Holding Period of Finished Goods (In Days)

Formula: No of days in a year /Finished goods turnover ratio

4.6 Table showing holding period of finished goods

Year	Total Days	Ratio	Days
2014	365	3.82	95
2015	365	7.00	52
2016	365	5.18	70
2017	365	5.72	63
2018	365	6.55	55

4.6 Graph showing Holding period of finished goods



Interpretation:

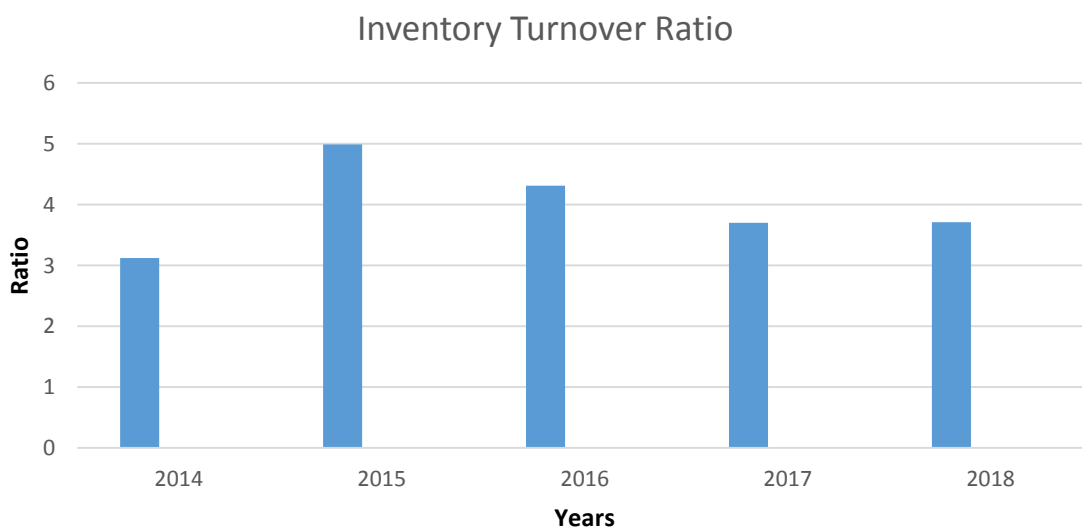
In the above graph it reveals about the holding period of the finished goods.in 2014, it was 95 days to complete the finished goods and then it was sold to the customers.in 2015 it became 52 days than 70 in 2016 where days increased and then decreased so it results to the quick flow of the workers and trying to perform the requirements of the consumers. Then in 2017 and 2018 it decreased in 63 days and 55 days in 2018.

4.7 Inventory Turnover Ratio

4.7 Table showing inventory turnover ratio

Year	Cost of Goods Sold	Average Inventory	Inventory Turnover Ratio
2014	240755363	77114708	3.12
2015	390816973	78238520	4.99
2016	270755837	62758198	4.31
2017	273976629	73902631	3.70
2018	338532666	91236717	3.71

4.7 Graph showing Inventory Turnover ratio



Interpretation:

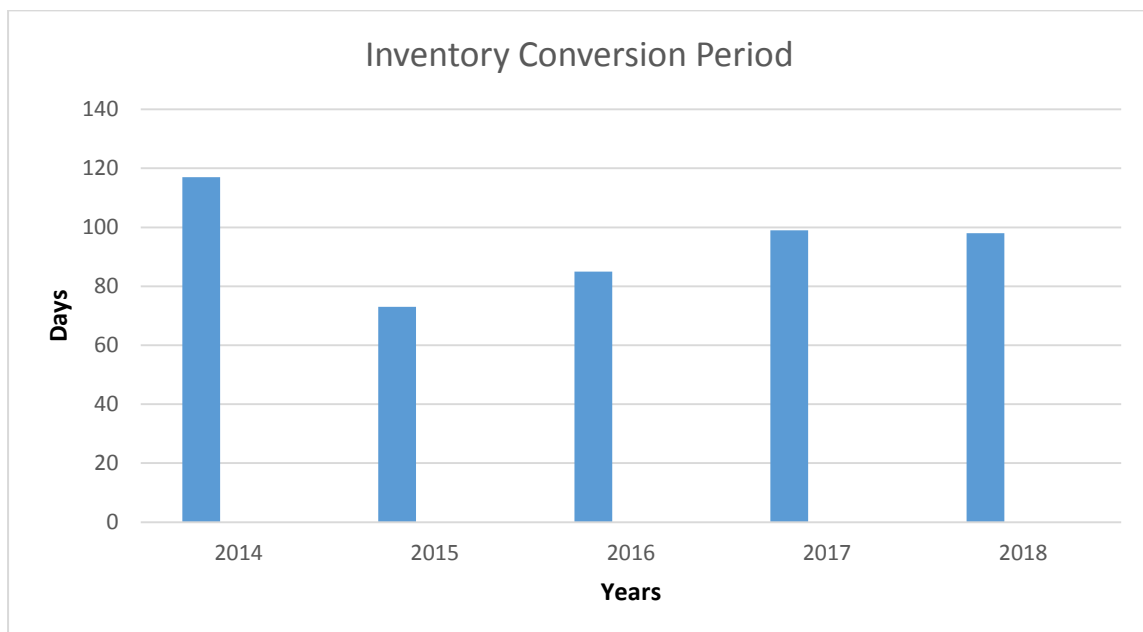
In the above graph it reveals about the turnover ratio of the company where in 2014 it was 3.12 which was increased by 4.99 in 2015 but in 2016 it slightly came down to 4.31 then it increased year by year in 2017 and 2018 by 3.70 and 3.71. It explains that as turnover ratio of the inventory increases or high efficient inventory control, good sales policies, reputation in the market or if the ratio decrease then there will be less selling policy, over investment of stocks etc.

4.8 Inventory Conversion Period

4.8 Table showing Inventory conversion period

Year	Inventory Turnover ratio	No of days in a year	Inventory Conversion Period
2014	3.12	365	117
2015	4.99	365	73
2016	4.31	365	85
2017	3.70	365	99
2018	3.71	365	98

4.8 Graph showing Inventory Conversion Period



Interpretation:

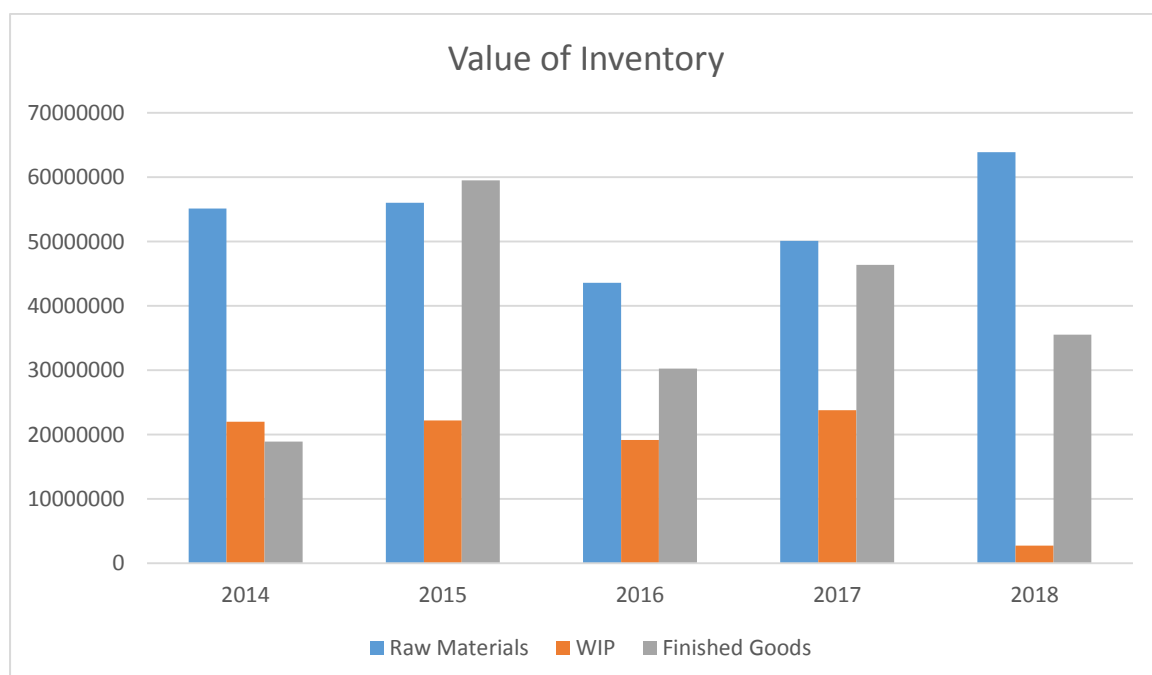
In the above graph, it reveals about how much days were taken to dispose the average materials. In 2014 the conversion period was 117 days and then for the further years it was decreased and it came till 98 days in 2018. As the days of the inventory conversion period decreases the manufacturing process tends to finish quickly and send it to the ultimate customer. In 2014 the conversion period was 117 days which took long for completion of the product and selling it. By 2018 the days were decreased to 98 days which explains that the demand has been increasing and where the products are manufactured and sold for short period of time.

4.9 Value of Inventory

4.9 Table showing value of inventory

Particulars	2014	2015	2016	2017	2018
Raw Materials	55111932	56046430	43589244	50095248	63876356
W.I.P	22002776	22192090	19168954	23807383	27360362
Finished Goods	1893146	59501990	30231365	46384293	35529792

4.9 Graph showing value of inventory

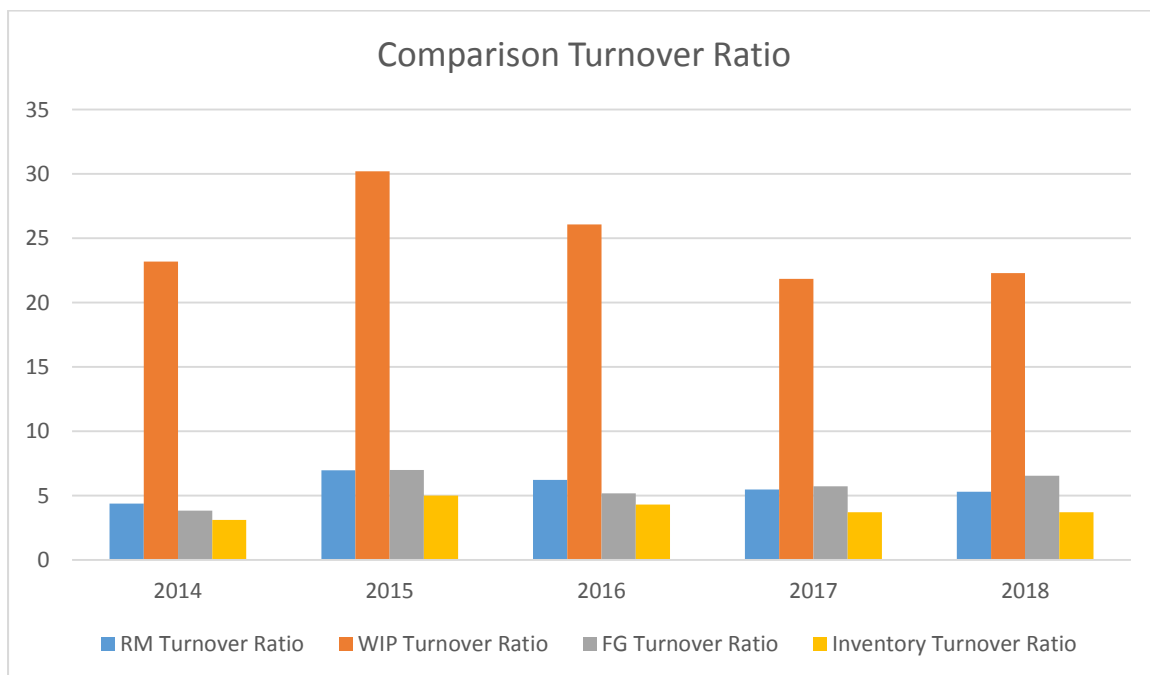


4.10 Comparison Turnover Ratio

4.10 Table showing comparison turnover ratio

Year	2014	2015	2016	2017	2018
Raw Materials Turnover Ratio	4.37	6.97	6.21	5.47	5.30
WIP Turnover Ratio	23.18	30.21	26.08	21.84	22.28
Finished Goods Turnover Ratio	3.82	7.00	5.18	5.72	6.55
Inventory Turnover Ratio	3.12	4.99	4.31	3.70	3.71

4.10 Graph showing comparison turnover ratio

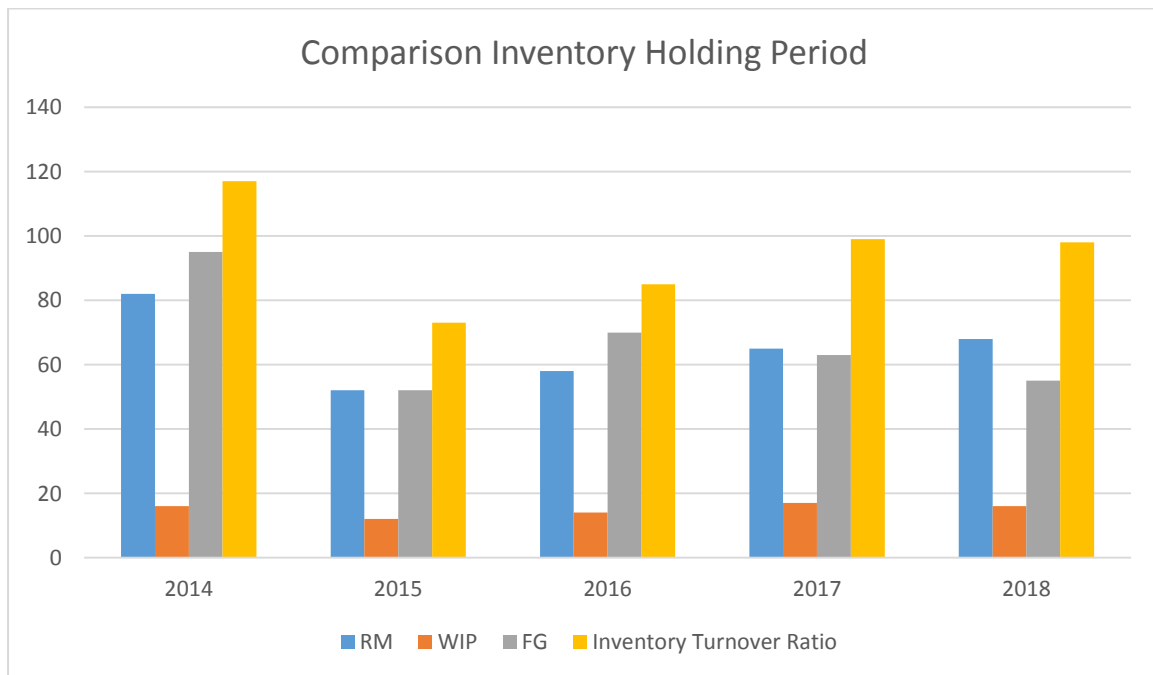


4.11 Comparison Inventory Holding Period (In Days)

4.11 Table showing Inventory holding period

Year	2014	2015	2016	2017	2018
Raw Materials	82	52	58	65	68
Work In Progress	16	12	14	17	16
Finished Goods	95	52	70	63	55
Inventory Turnover Ratio	117	73	85	99	98

4.11 Graph showing Inventory holding period



4.12 EOQ Analysis for the year 2015-16(in crores)

Annual Consumption	1459
Ordering Cost	15.66
Purchasing Price for the Year	833.10
Carrying Cost	12
EOQ	73

$$\begin{aligned} \text{EOQ} &= \sqrt{2 * 1459 * 15.66} / 8.53 \\ &= 73 \end{aligned}$$

$$\begin{aligned} \text{Number of orders for a year} &= \text{Annual Demand for the year} / \text{EOQ} \\ &= 1459 / 73 \\ &= 20 \end{aligned}$$

$$\begin{aligned} \text{Total Annual Cost} &= \text{Carrying cost} + \text{ordering cost} \\ &= 8154 + 72.95 \\ &= 8226.95 \end{aligned}$$

$$\begin{aligned} \text{Carrying Cost} &= \text{Carrying cost per ton} * \text{Average inventory} \\ &= 12 * 629.5 \\ &= 8754 \end{aligned}$$

$$\begin{aligned} \text{Ordering cost} &= \text{Cost per order} * \text{No of order} \\ &= 15.16 * 9.2 \\ &= 139.472 \end{aligned}$$

4.13 EOQ Analysis for the year 2016-2017(in crores)

Annual consumption	230
Ordering cost	15.16
Purchasing price for the year	900.10
Carrying cost	11.62
EOQ	25

$$EOQ = \sqrt{2 * 230 * 15.16 / 11.62}$$

$$\text{No of orders for a year} = \text{Annual demand for a year} / \text{EOQ}$$

$$= 230 / 25$$

$$= 9.2$$

$$\text{Total annual cost} = \text{carrying cost} + \text{ordering cost}$$

$$= 1336.3 + 139.472$$

$$= 1475.772$$

$$\text{Carrying cost} = \text{carrying cost per ton} * \text{Average inventory}$$

$$= 11.62 * 115$$

$$= 1336.3$$

$$\text{Ordering cost} = \text{cost per order} * \text{number of order}$$

$$= 15.16 * 9.2$$

$$= 139.472$$

4.14 EOQ Analysis for the year 2017-18 (in crores)

Annual consumption	605
Ordering cost	14.87
Purchasing price for the year	980.50
Carrying cost	11.15
EOQ	40

$$\text{EOQ} = \sqrt{2 * 605 * 14.87 / 11.15}$$

$$= 40$$

$$\text{Number of orders for a year} = \text{Annual demand for a year} / \text{EOQ}$$

$$= 605 / 40$$

$$= 15.125$$

$$\text{Total annual cost} = \text{carrying cost} + \text{ordering cost}$$

$$= 3372.87 + 224.90$$

$$= 3592.77$$

$$\text{Carrying cost} = \text{carrying cost per ton} * \text{Average inventory}$$

$$= 11.15 * 302.5$$

$$= 3372.87$$

$$\text{Ordering cost} = \text{cost per order} * \text{number of orders}$$

$$= 14.87 * 15.125$$

$$= 224.90$$

4.15 Table Showing the EOQ Analysis

YEAR	UNITS	ORDERING COST	CARRYING COST	EOQ
2015-2016	1459	15.66	12	73
2016-2017	230	15.16	11.62	25
2017-2018	605	14.87	11.15	40

In the above table it reveals about the increase in the EOQ of 40 units in 2015 – 2016 which was drastically decreased in 2016 – 2017 and increased in 2017 – 2018 by 73 units. As the following to ordering cost and carrying cost in 2017 – 2018 the expenses were 224.90 rupees and carrying cost 3372.87 rupees .it happens depending upon the orders placed by the company. As per the orders taken the production is carried.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

- The inventory turnover ratio of the company was increased from 3.12 to 4.99 in 2014 and 2015. Then in 2016 and 2017 it was decreased year to year to 4.31, 3.70 and then it increased with 3.71 in 2018.
- The inventory conversion period of the company was 117 days in 2014 which came to 98 days in 2018. In 2016, it was increased to 85 days and in 2017 it was 99 days.
- During the financial year of 2014 the value of raw materials was 55111932 which was increasing up to 56046430 till 2015. Then it was suddenly decreased to 43589244 in 2016 and then increased further from 50095248 to 63876356 in 2017 and 2018.
- During the financial year of 2014, the value of WIP was 425016781 which was increased in 2015 which was 558850901. Then it was decreased at 416662702 in 2016 and later on increased till 2018 to 508055615. Every year it tends to decrease and increase.
- During the financial year of 2014, the value of finished goods was 1893146 and it was increased to 59501990 in 2015 and then it was decreased in 2016 by 30231365 and then again it increased by 46384293 in 2017 and again it decreased by 35529792 in 2018.
- The raw material turnover ratio in 2014 was 4.37 which was increased by 6.97 in 2015 which was decreased up to 6.21, 5.47, and 5.30 in 2016, 2017 and 2018.
- The WIP Turnover ratio in 2014 was 23.18 which was increased in the year 2015 by 30 then it decreased in the year 2016 and 2017 by 26.08 and 21.84 and then increased by 22.28 in the year 2018.
- The finished goods turnover ratio in 2014 was 3.82 in 2015 which was increased by 7.00 and then decreased in the year 2016 and 2017 by 5.18 and 5.72 and then increased in 2018 by 6.55.
- There was a holding period calculated on the raw materials WIP and finished goods. There was a holding period of raw materials which was increased in 2014 by 82 days then it started decreasing year by year till 2018 by 68 days. The WIP holding period in 2014 were 16 days which was decreased in 2015 and 2016 by 12 days and 14 days.

5.2 SUGGESTIONS

- ❖ In the year 2014 the company hold material more days, it is bad from companies point of view and in order to avoid this problem company have to use the following points
 - Company have to purchase stock before it reaches the minimum level
 - While purchasing the raw materials company have to keep an eye on the maximum limit otherwise stock will be idle
 - Purchase materials as per the demand only, otherwise leads to overstocking
 - Company can use imported stock more, if the rate of domestic stock is high.
- ❖ Purchasing of less quantity of materials at a time will reduce the carrying cost but it leads to increases in the ordering cost and reverse therefore optimum ordering quantity is important which minimizes the overall cost.
- ❖ Maintaining safety level is important for every company and also recording point, it helps to know at what time they should order for the required material and this will helps them not to face any shortage of raw materials at time of production.
- ❖ The holding period of the raw materials, WIP and finished goods should be minimum because which incurs more cost for maintaining inventory

5.3 CONCLUSION

Model infra corporation has to deal with effectiveness of inventory management and the company should be improved in all the aspects; hence the industry can still support its position by looking into following points

- Fast moving inventory has to be used
- After completing the manufacturing process the finished goods should reach customers within a feasible time.
- Cost can be minimised by maintain the optimum order quantity
- Organisation has to follow proper inventory managing techniques.

Inventory supervision is an important tool and technique for the proper use of resources for manufacturing the product. It indicates that the EOQ of the product was drastically changing due to the demand for the product every year. It can be said that inventory has been increased due to which sales and inventory value are increased year by year parallely. The inventory holding for the year were increasing and holding period was decreasing year by year where the cost of maintaining the inventory was reduced. The inventory level of raw materials, WIP and finished goods were compared where it was fluctuating which tends to increase or decrease. The turnover ratio of the company was compared where it was increased which indicates reputation, good sales policy etc.

This study can be extended to include by installing an application called as “Warehouse executor” which keeps track of all the flaws like incoming goods, outgoing goods, wastages, production etc.

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ACHARYA INSTITUTE OF TECHNOLOGY
DEPARTMENT OF MBA

PROJECT(17MBAPR407) -WEEKLY REPORT

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COMPANY NAME: Model Infra Corporation Pvt Ltd Verna,Goa

WEEK	WORK UNDERTAKEN	EXTERNAL GUIDE SIGNATURE	INTERNAL GUIDE SIGNATURE
3 rd Jan 2019 – 9 th Jan 2019	Industry Profile and Company Profile		
10 th Jan 2019 – 17 th Jan 2019	Preparation of Research instrument for data collection		
18 th Jan 2019 – 25 th Jan 2019	Data collection		
26 th Jan 2019 – 2 nd Feb 2019	Analysis and finalization of report		
3 rd Feb 2019 – 9 th Feb 2019	Findings and Suggestions		
10 th Feb 2019 – 16 th Feb 2019	Conclusion and Final Report		



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