

A STUDY ON THE INVENTORY MANAGEMENT ON CORI ENGINEERING PVT LTD

Submitted in partial fulfillment of the requirement for the reward of

MASTER OF BUSINESS ADMINISTRATION

By

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Register No-42410048



DEPARTMENT OF BUSINESS ADMINISTRATION

SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited with Grade “A++” by NAAC I 12B Status by UGC I
CATEGORY - 1 UNIVERSITY BY UGC I Approved by AICTE
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DEC 2023



SATHYABAMA

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SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **SANGEETHA.B (42410048)** who has done the Project work entitled **A STUDY ON THE INVENTORY MANAGEMENT OF CORI ENGINEERING WORKS PVT LTD** under my supervision from September 2023 to October 2023.

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DECLARATION

I **SANGEETHA.B (42410048)**. Hereby declare that the Project Report entitled “**A STUDY ON THE INVENTORY MANAGEMENT ON CORI ENGINEERING PVT LTD**” done by me under the guidance of **Dr.D.Velumoni, B.Com, M.B.A, MPhil, NET., SET 2012.,PhD.,Associate Professor, Department of Management Studies** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration.

Date: 21.12.2023

Place: Chennai

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Signature of the candidate

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04/10/2023

To,

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Sub : Internship Completion Certificate

This is to certify that **Ms. SANGEETHA . B, (No. 42410048)** 2nd year Master of Business Administration student from Sathyabama Institute of Science & Technology, has successfully completed her **Internship Training** in our organization with effect from 04/09/2023 to 03/10/2023.

We hereby confirm that her performance on the above mentioned project during the said period is satisfactory.

We hereby appreciate her performance and wish him all the best in her future Endeavor.

For **CORI ENGINEERS PVT. LTD.**

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ABSTRACT

This research propose to get exposure in inventory and it is very important to the company. It is to ensure quality in business that control the transaction between the consumer goods. It is important to do proper inventory management and control in the production company. This project is to analyse the inventory control in the specialize in rubber to metal bonding and various type of precision molded component manufacturing company (Cori engineering pvt ltd.). In this project we will perform the inventory management, we will go through the financial statements of the company to diagnose inventory soundness.

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CHAPTER 1

1.1 INTRODUCTION OF STUDY

THEORETICAL FRAMEWORK OF INVENTORY MANAGEMENT

Every enterprise needs inventory for smooth running of activities. It serves, as a link between production and distribution. For every process there is, generally, a time lag between the recognition of a need and its fulfillment. The greater the time lag, the higher the requirement for inventory. The unforeseen fluctuations in demand and supply of goods also necessitate the need for inventory. It provides a cushion for future price fluctuations.

The investment in inventories constitutes the most significant part of current assets/working capital in most of the undertakings. Thus, it is very essential to have proper control and management of inventories. The purpose of inventory management is to ensure availability of materials in sufficient quantity as and when required and also to minimize investment in inventories.

The investment in inventory is very high in most of the undertakings engaged in manufacturing, wholesale and retail trade. In India, a study of 29 major industries has revealed that the average cost of materials is 65paise and the cost of labour is 10 paise and overheads is 15paise of a rupee, 10% is profit. It is necessary for every management to give proper attention to inventory management. A proper planning of purchasing, handling, storing and accounting should form a part of inventory management.

An efficient system of inventory will determine,

- What to buy
- How to buy
- Where to buy
- Where to store

There are conflicting interests of different departmental heads over the issue of inventory. The finance manager will try to invest less in inventory because to him it is an idle investment, whereas production manager will emphasize to acquire more inventory as he does not want any interruption in production due to shortage of inventory. The purpose of inventory management is to keep the stocks in such a neither way that there is over-stocking nor under-stocking. The over-stocking will mean a reduction of liquidity and starving of other production processes whereas under-stocking, on other hand, will result in stoppage of work. The investments in inventory should be kept in reasonable limits.

MEANING AND NATURE OF INVENTORY

There are different meanings of inventory in different languages. In accounting language it may mean stocks of finished goods only. In a manufacturing concern, it may include raw materials; work in process and stores, etc., to understand the exact meaning of the work “inventory” may include the following things:

1. RAW MATERIALS:

Raw materials form a major input into the organization. They are required to carry out production activities uninterruptedly. The quantity of raw materials required will be determined by the rate of consumption and the time required for replacing the supplies. The factors like the availability of raw materials and government regulations, etc., too affect the stock of raw materials.

2. WORK-IN-PROGRESS:

The work-in-progress is that stage of stocks, which are in between raw materials and finished goods. The raw materials enter the process of manufacturing but they are yet to attain a final shape of finished goods. The quantum of work-in-progress depends upon the time taken in the manufacturing process. The greater the time taken in manufacturing, the more will be the amount of work-in-progress.

3.CONSUMABLES:

These are the materials, which are needed to smoothen the process of production. These materials do not enter directly into production but they act as catalysts. Consumables may be classified according to their consumption and criticality. Generally, consumables stores do not create any supply problem and form a small part of production cost. There can be instances where these materials may account for much value than the raw materials. The fuel oil may form a substantial part of the cost.

3. FINISHED GOODS:

These are goods, which are ready for the consumers. The stock of finished goods provides a buffer between production and market. The purpose of maintaining inventory is to ensure proper supply of goods to the customers. In some concerns the production is under taken on order basis. In these concerns there will not be a need for finished goods inventory. The need for finished goods inventory will be more when production is undertaken in general without waiting for specific orders.

4. SPARES:

Spares also form a part of inventory. The consumption pattern of raw materials, consumables, finished goods are different from that of spares. The stocking policies of spares are different from industry to industry. Some industries like transport will require more spares than the other concerns. The costly spare parts like engines, maintenance spares etc., are not discarded after use. Rather they are kept in ready positions for further use. All decisions about spares are based on the financial cost of inventory on such spares and the cost that may arise due to their non-availability efficiency, aggressively expand its reach to customers, continue to invest in brand building activities and ensure customer and shareholder delight.

1.2 COMPANY PROFILE

Cori Engineers Pvt Ltd

Cori Engineers Pvt. Ltd is an associate company of IGP Engineers Pvt. Ltd.

CORI Engineers Pvt. Ltd. with over 70,000 sq feet of manufacturing facilities in rubber components is well known as market leaders for Rubber Expansion joints / Bellows in India. A preferred supplier of anti-vibration mounts to the genset Industry. The other product lines of CORI include Built-up hoses, Rubber Moulded Components and Rubber Lining service for anti-corrosive and abrasion resistance applications.

CORI is ISO 9001:2015 accredited by DNV GL. We have many quality awards to our credit and we export our products worldwide and well known as a quality supplier" for the year 2017 from Kirloskar Oil Engines Ltd.

The products of CORI are marketed in the brand name **CORIRUBBER®**

Our products and services are :-

Rubber Expansion Joints / bellow

Anti Vibration Mounts /pads

Built-up Rubber Hoses & Cuffs

Vestibule for Railways

Rubber sheets

Rubber lining of tanks, vessels, pipes and fittings etc

Rubber lagging

Rubber screens

Marine spares

Rubber gaskets

Bridge bearing

Rubber Moulded Components , extrusions

Quality :

We follow relevant National & International standards for testing vulcanized rubber physical properties like tensile, elongation, polymer identification, Ozone resistance test, blow lamp test, hardness etc. either in-house or in accredited laboratories.

Rubber :

We have supplied rubber components out of various polymers viz.

Polymers handled

Natural Rubber

Neoprene *(Chloroprene),

Nitrile

HBNR

EPDM

Chlorobutyl

Hypalon* (CSM)

Silicone

Viton* (Fluoroelastomer)

* Trademark of Dupont

Approvals :

Our products / services are approved by leading consultants, Inspection agencies such as

- UHDE India Limited,
- Tata Consulting Engineers Limited,
- Engineers India Limited,
- Project and Development India Limited,
- M.N.Dastur & Company,
- Humphreys & Glasgow Limited,
- Development Consultants Limited,
- Metallurgical & Engineering Consultants (India) Limited,

- Baxcounsel Inspection Bureau Private Limited,
- Lloyds etc.

1.3 NEED FOR THE STUDY

- Inventory management helps companies identify which and how much stock to order at what time.
- It tracks inventory from purchase to the sale of goods.
- The practice identifies and responds to trends to ensure there's always enough stock to fulfill customer orders and proper warning of a shortage.

1.4 OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE

- To study inventory management system of Cori Engineering Works pvt ltd.

SECONDARY OBJECTIVE

- To analyze the inventory position through various financial ratios .
- To understand the inventory flow in the company.

1.5 SCOPE OF THE STUDY

- The scope of an inventory system can cover many needs, including valuing the inventory, measuring the change in inventory and planning for future inventory levels.
- The value of the inventory at the end of each period provides a basis for financial reporting on the balance sheet.

1.6 LIMITATIONS OF THE STUDY

- The inventory details of company are collected for 3 years only
- The information taken from the company was limited
- In this study only limited ratios are used

1.7 CHAPTER FRAMEWORK

CHAPTER-1 First Chapter discuss introduction of the study, Industry Profile, Company Profile, Need for the study, Statement of the Problem, Objectives of the Study & Limitation of the study.

CHAPTER-2 Second Chapter Reviews previous studies.

CHAPTER-3 Third Chapter describes Research Methodology, Research Design, Data Collection, Statistical Tools used for the Study.

CHAPTER-4 Forth Chapter deals with data analysis and Interpretation CHAPTER-5 Fifth Chapter enlists findings and conclusions .

CHAPTER 2

2.1 REVIEW OF LITERATURE

1. **Amrit Raj** has reported that Hero Moto Corp Ltd is focusing on technology revamp by having tie ups with US based EBR racing and with Austria based engine maker AVL these moves are with an ultimate aim to extend arm in R&D as the company has decided not to run the existing brands on Honda engines.
2. **Abhijeet Singh and Brijesh Kumar** has mentioned that Hero Motors Ltd, is running a program With an objective to create an innovative environment for interaction between Hero Honda and its customers. Members of this program are given a magnetic card in which all information is stored and this card is swiped when using any service at a showroom or workshop and it works like a loyalty benefit card.
3. **Joseph George** is of the opinion about the hero tie up with Engines Engineering to improve design that while hero needs good research and development support, it should ensure it finds right partners, unlike Bajaj and TVS who pursued in house research and development, hero seeking outside help is fraught with risks as it could be tough for hero to synergize diverse inputs from variety of partners.
4. **Plinere, D. & Borisov, A.** (2015). concluded that. inventory management is necessary to every company, having inventories. Companies have stock, but so much as to keep away from overstock and out-of-stock situations. Inventory management can better company inventory control existing condition and reduce costs of the company.
5. **Jose, T., Jayakumar. A., & Sijo. M. T.** (2013) found the difference between EOQ & number of pieces purchased. It is observed that the company is not using EOQ for buying the materials. Therefore, inventory management is not

reasonable. From estimate of safety stock. company can decide how much inventory the company can keep in back stock per annum.

6. **Mohamad. S. J. A. N. bin S.. Suraidi. N. N.. Rahman. N. A. A.. &Suhaimi. R. D. S. R.** (2016) concluded that efficiency of inventory management is a major concern area of business. Suggestions are given to improve the performance of inventory management. demand forecasting, scattered inventory & cycle counting
7. **Lwiki et al** (2013) A survey conducted and established that there is generally positive correlation between each of inventory management practices. Specific performance indicators were proved to depend on the level of inventory management practices. They established that Return on Equity had a strong correlation with lean inventory system and strategic supplier partnerships. As such, they concluded that the performance of sugar firms could therefore be stated as being a function of their inventory management practices.
8. **Panigrahi** (2013) Undertook an in-depth study of inventory management practices. The study also investigated the relationship between profitability and inventory conversion days. The study, using a sample of the top five cement companies of India over a period of 10 years from 2001 to 2010, concluded that a considerable inverse linear relationship existed between inventory conversion period and profitability.
9. **Madishetti and Kibona** (2013) Found that a well designed and executed inventory management contributes positively to a small or medium-sized enterprises (SMEs) profitability. Regression analysis was adopted to determine the impact of inventory conversion period over gross operating profit. The results cleared out that significant negative linear relationship occurred between inventory conversion period and profitability.
10. **Srinivas Rao Kasisomayajula**(2014) The study concluded that all the units in the commercial vehicle industry have significant relationship between Inventory and Sales. Proper management of inventory is important to maintain and

improve the health of an organization. Efficient management of inventories will improve the profitability of the organization.

11. **Sunitha, K. V.** (2012) in her thesis. inventory management is vital for keeping costs down, when meeting regulations. It is difficult to balance demand and supply and inventory management to make sure that the balance is untouched. The trained inventory management and good quality software will help make inventory management a victory. The ROI of Inventory management has seen better revenue and profits, positive employee ambiance and increase in customer satisfaction.
12. **Atnafu. D. & Balda, A.** (2018) focuses on inventory management & explains the relationship between inventory management practices competitive advantage & organizational performance. The finding of the study on basis of data analysis is that there is a positive relationship between competitive advantages and inventory management performance. And better organizational performance gives a firm bigger capital to apply various inventory management techniques
13. **HongShen. Qiang. Deng. Rebbaca Lao, Simon Wu** (2016) focused on boosting the inventory management to improve the supply chain of the company. Drop in inventory is considered one of the most significant aspects of inventory management. In practice, small Inventory level is not always a better solution, so manufacturers need to maintain the correct amount of inventory at the correct level
14. **Gaur and Bhattacharya** (2011) Attempted to study the linkage between the performance of the components of inventory such as raw material, work in progress and finished goods and financial performance of Indian manufacturing firms. The study revealed that finished goods inventory as inversely associated with business performance while raw material inventory and work in progress did not have much effect on same. They emphasised that instead of focusing on total inventory, an attempt should be made to concentrate on individual components of inventory so as to adequately manage the same. They

concluded that managers not paying heed to inventory performance may become weak in combating competitors.

15. **Pradeep singh** (2008) In his study made an attempt to examine the inventory and working capital management of Indian Farmers Fertilizer Cooperative Limited (IFFCO) and National Fertilizer Limited (NFL). He concluded that the overall position of the working capital of IFFCO and NFL is satisfactory. But there is a need for improvement in inventory in case of IFFCO. However inventory was not properly utilized and maintained by IFFCO during study period. The management of NFL must try to properly utilize the inventory and try to maintain the inventory as per the requirements. So that liquidity will not interrupt
16. **Lal** (1981) his study focused on inventory management. He originated a model which involve price variable in inventory management; earlier price variable in inventory was not considered in that company. The analysis recommended solid policies, which would look after internal and external factors, ultimately it would help in bringing in efficient working capital management
17. **Farzaneh** (1997) Presented a mathematical model, to assist the companies in their decision to switch from EOQ to JIT purchasing policy. He defines JIT as “to produce and deliver finished goods just in time to be sold, sub-assemblies just in time to be assembled in goods and purchased material just in time to be transformed into fabricated parts”. He highlights that the EOQ model focuses on minimizing the inventory costs rather than minimizing the inventory. Under the ideal condition where all the conditions meet, it is economically better off to choose the JIT over the EOQ because it results in purchase price, ordering cost
18. **Rich Lavelly** (1998) Asserts that inventory means “Piles of Money” on the shelf and the profit for the firm. However, he notices that 30% of the inventory of most retail shops is dead. Therefore, he argues that the inventory control is facilitate the shop operations by reducing rack time and thus increases profit. He also elaborates the two types of inventory calculations that determine the inventory level required for profitability. The two calculations are “cost to order” and “cost to keep”. Finally, he proposes seven steps to inventory control.

19. **Gaur, Fisher and Raman** (2005) In their study examined firm-level inventory behaviour among retailing companies. They took a sample of 311 public-listed retail firms for the years 1987–2000 to examine the relationship of inventory turnover with gross margin, capital intensity and sales surprise. They observed that inventory turnover for retailing firms was positively related to capital intensity and sales surprise while inversely associated with gross margins. They also suggested models that yield an alternative metric of inventory productivity, adjusted inventory turnover that can be used in study of performance analysis and managerial decision-making.
20. **S. Singh** (2006) Analysed the inventory control practices of single fertilizer company named IFFCO. He statistically examined the inventory system with consumption, sales and other variables along with growth of these variables and inventory patterns. He concluded that an increase in components of inventory lead to an increase in the proportion of inventory in current assets. A special focus was made on stores and spares in order to calculate excess purchases resulting in loss of profit.
21. **D. Hoopman** 2003 In this article he said that inventory optimization recognize that different industry have different inventory profiles and requirements. Research has indicated that solutions are priced in a large range from tens of thousands of dollars to millions of dollars. In this niche market sector price is definitely not an indicator of the quality of solution, ROI and usability are paramount.
22. **Silver, Edward A** 2002 (Article from production and inventory management journal)
This article considers the context of a population of items for which the assumption underlying the EOQ derivation holds reasonably well. However as is frequently the case in practices there is an aggregate constraint that applies to the population as a whole. Two common forms of constraints are:

The existence of budget to be allocated among the stocks of the items and a purchasing production facility having the capability to process at most a

certain number of replenishment per year. Because of the constraint the individual replenishment quantities cannot be selected independently.

23. **Delaunay C, Sahin E**, 2007 A lots of work has been done but now if we want to go ahead we must have good visibility upon this field of research. That is why we are focused on frame work for an exhaustive review on the problem of supply chain management with inventory in accuracie. The author said that the iraimin this work is also to present the most important criterion that allow a distinction between the different types of managing the inventory.

24. **Charles Atkinson** ,he explained the inventory management and assessment of inventory levels. Asper this study inventory management need to address two issue,

Part I. How to optimize average inventory levels.

Part II how assess(evaluate)inventory levels.

This study tells about what the manager should do and not to do, and how much amount should be order in one placed orders.

25. **Bernatde William** 2008 This study tells that the main focus of inventory management is on transportation and warehousing. The decision taken by management depend s on the traditional method of inventory control models. The traditional method of inventory management is how much useful in these days the author tell about it. He is also saying that the traditional method is not a cost reducing, it is so much expensive. But the managing the inventory is most important work for any manufacturing unit.

CHAPTER 3

3.1 RESEARCH METHODOLOGY

Research is the process of systematic and in- depth study of any particular topic, subject or any are of investigation backed by collection, compilation, presentation and interpretation relevant data in detail.

3.1 TYPE OF RESEARCH

The proposed study is of ANALYTICAL IN NATURE. Research design is needed because it facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible. A research design for a particular problem usually involves the consideration of the following factors.

3.2 RESEARCH PROCESS:

In research process, the first and foremost step is defining and selecting a research problem. A Researcher should at first find the problem. Then he should formulate it so that it becomes susceptible to research. For a systematic presentation, the process of research may be classified under three stages- primary stages, secondary stage, and the tertiary stage.

THE PRIMARY STAGE INCLUDES:

- Observation
- Interest
- Formulating research problems
- Documentation
- Research designs

THE SECONDARY STAGE INCLUDES:

- Project planning
- Data collection
- Questionnaire preparation
- Analysis of data
- Testing of hypothesis
- Interpretation
- Questionnaire preparation.

3.3 DATA COLLECTION

SECONDARY DATA

Secondary Data has been collected from the company's annual report, journal, magazine, and website.

TOOLS USED FOR THE STUDY

The following are major tools used in analysis and interpretation.

- Ratio analysis.
- Comparative balance sheet statement.

CHAPTER -4

DATA ANALYSIS AND INTERPRETATION

4 1.1 Inventory turnover ratio

This ratio is an efficiency ratio which shows the efficiency of the firm in producing and selling its products.

$$\text{Inventory Turnover Ratio} = \frac{\text{Cost of goods sold}}{\text{Average inventory}}$$

Table 4.1.1 Inventory turnover ratio

INVENTORY TURN OVER RATIO ST OF COGOOD SOLD/ AVERAGE INVENTORY			
YEAR	COGS	AVERAGE INVENTORY	RATIO
2020	2134.03	1154.86	1.85
2021	1922.34	598.48	3.21
2022	1987.35	621.36	3.20
2023	2854.04	1264.45	2.26

Interpretation:

From the above table shows that inventory turnover ratio of the company under study is increasing year by year from 2020 to 2022 except 2023

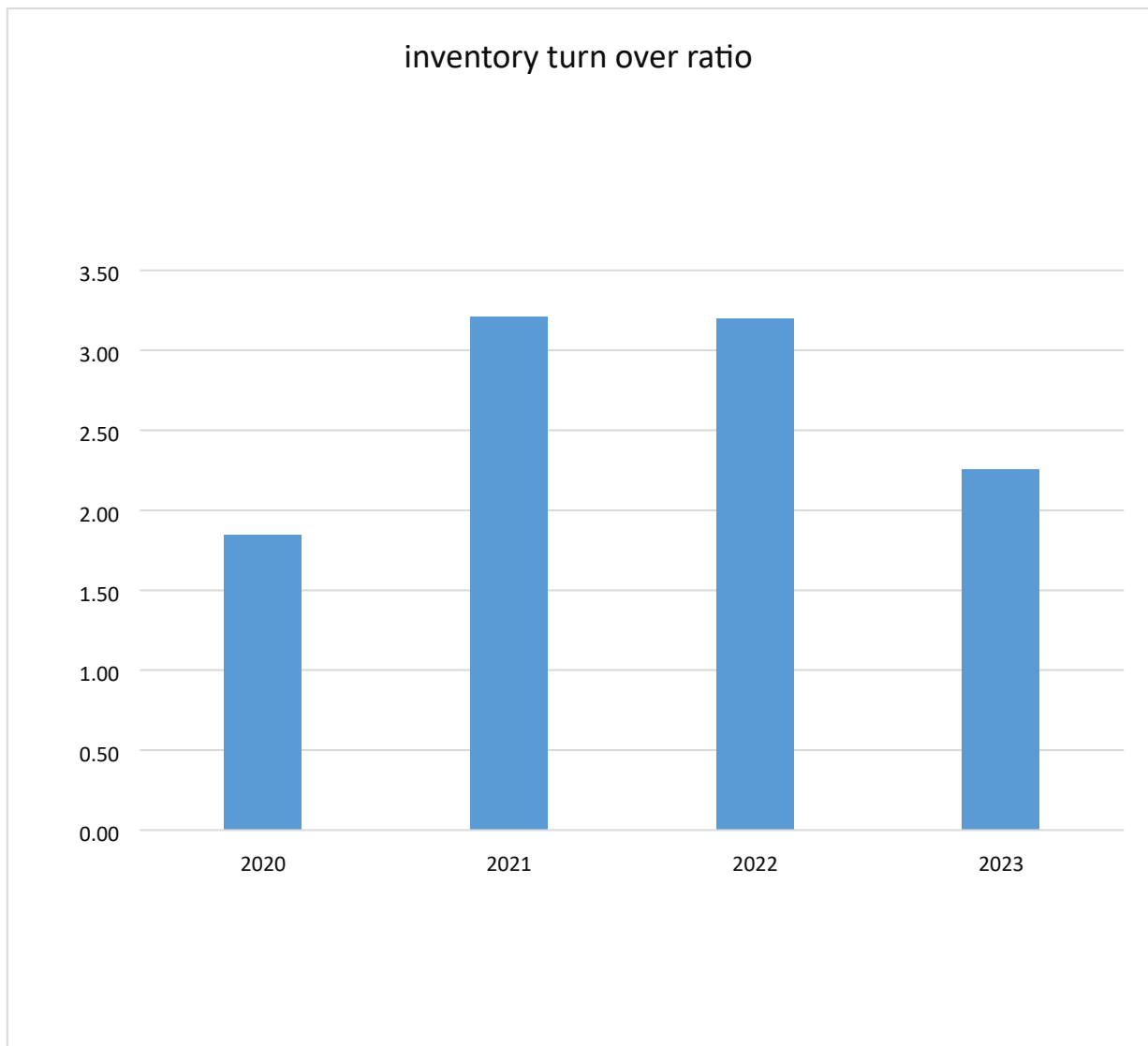


Fig 4.1.1 Inventory Turnover Ratio

4.1.2 Inventory holding period

The holding period refers to the time between an asset purchased and its sale. A short term holding period is defined as less than a year were as a long term holding period is more than a year.

$$\text{Inventory Holding Period} = \frac{365}{\text{Inventory Turnover Ratio}}$$

Year	No of days in a Year	Inventory turnover ratio	Ratio (Days)
2020	365	1.85	197.30
2021	365	3.21	113.71
2022	365	3.20	114.06
2023	365	2.26	161.50

Interpretation:

From the above table shows that inventory Holding period of the company under study is decreasing from year by year from 2020 to 2021 except the year 2023 its has been increased to 0.47%.

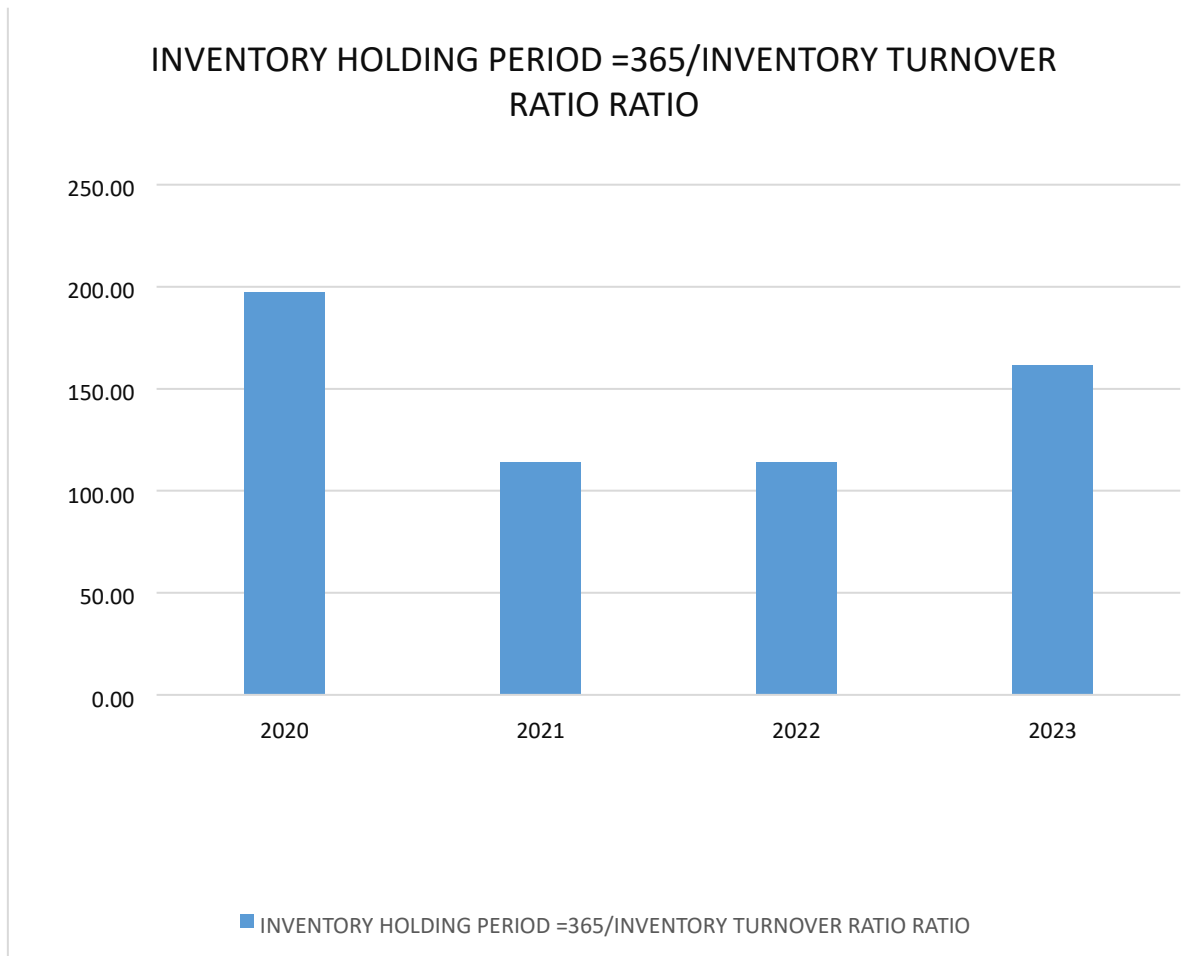


Fig 4.1.2 Inventory holding period

4.1.3 Inventory conversion period

This ratio shows that in how many days inventories are converted into net sales and it generate revenue for the company.

$$\text{Inventory conversion period} = \text{Inventory} / \text{Sales} * 365$$

Table 4.1.3 Inventory conversion period

Year	Inventories	Sales	Ratio
2020	1154.86	3920.73	107.51
2021	598.48	5028.56	43.44
2022	621.36	4625.2	49.03
2023	1264.45	529.13	872.23

Interpretation:

From the above table shows that inventory conversion period of the company under study is decreasing year by year from 2020 to 2022 except 2023.

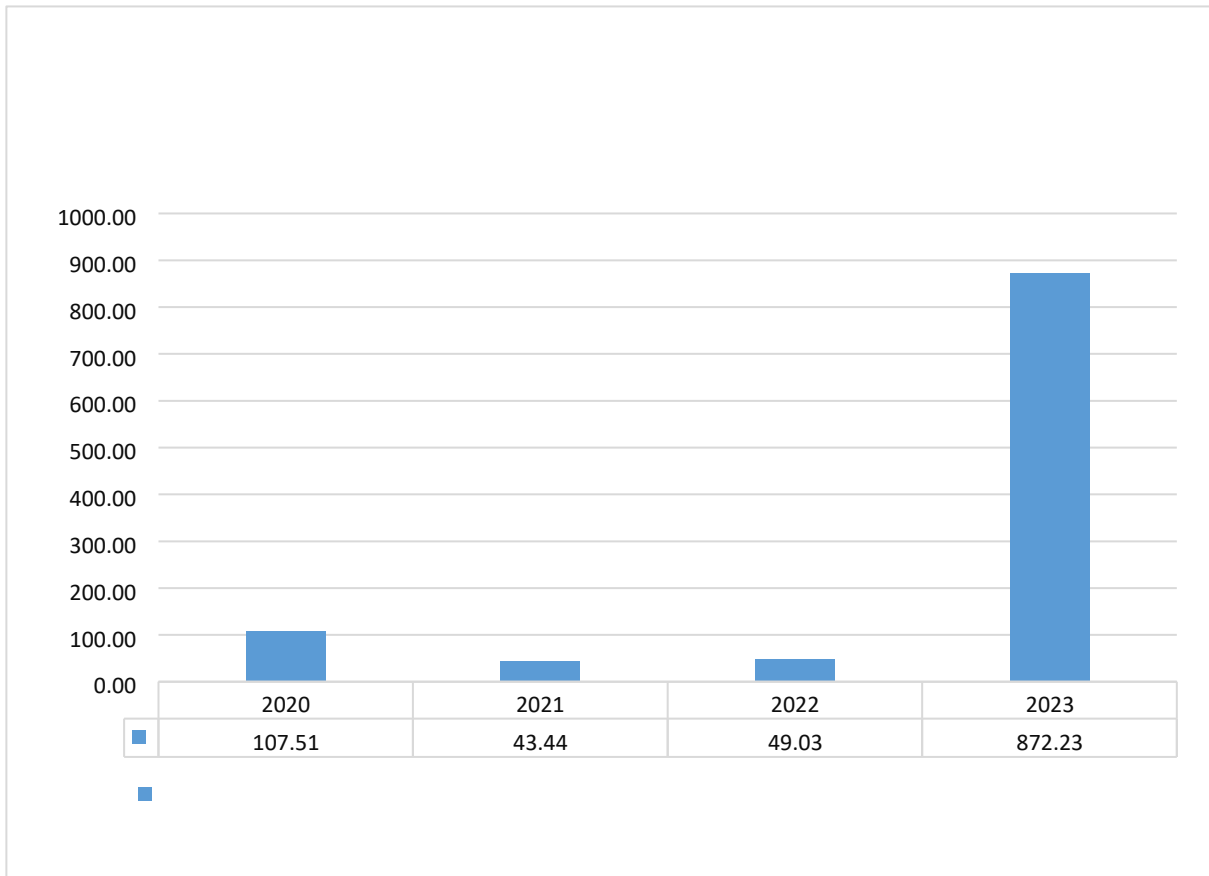


Fig 4.1.3 Inventory conversion period

4.1.4 Average day to sell inventory ratio

It is a financial ratio that indicates the average time in days that a company takes to turn its inventory, including goods that are working progress, into sales.

Average Days to Sell Inventory Ratio = $\text{Average inventory} / \text{Cost of goods sold} \times 100$

Table 4.1.4 Average day to sell inventory ratio

Year	Inventories	COGS	Ratio
2020	1154.86	2134.03	54.12
2021	598.48	1922.34	31.13
2022	621.36	1987.35	31.27
2023	1264.45	2854.04	44.30

Interpretation

From the above table shows that Average day to sell inventory ratio of the company under study is decreasing year by year from 2020 To 2021 except 2023

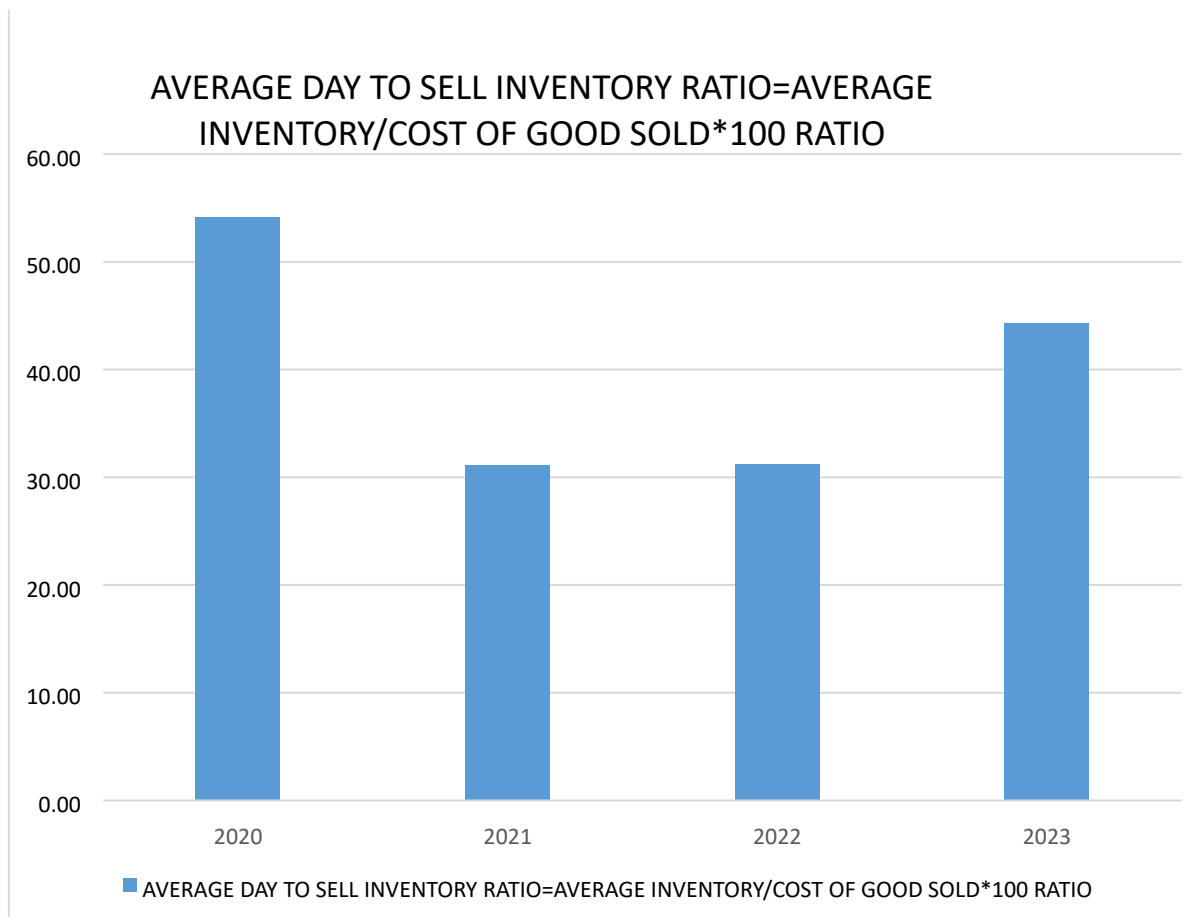


Fig 4.1.4 Average day to sell inventory ratio

4.1.5 Work in progress conversion period;

This ratio indicates the time period which the company takes to convert its work in progress into finished goods. Lesser the work in progress holding period, lesser will be the blockage of company's fund.

$$\text{Work in progress conversion period} = \frac{\text{Work in progress}}{(\text{Cost of production}/365)}$$

Table 4.1.5 Work in progress conversion period

YEAR	Work in progress inventories	Cost of production/ 365 (work in progress conversion period in days	Ratio (Days)
2020	372.21	10	27.08
2021	561.35	13	44.09
2022	1.32	12	0.11
2023	592.09	14	43.86

Interpretation:

From the above table shows that inventory turnover ratio of the company under study is increasing year by year from 2020 to 2021 and 2023 except 2022.

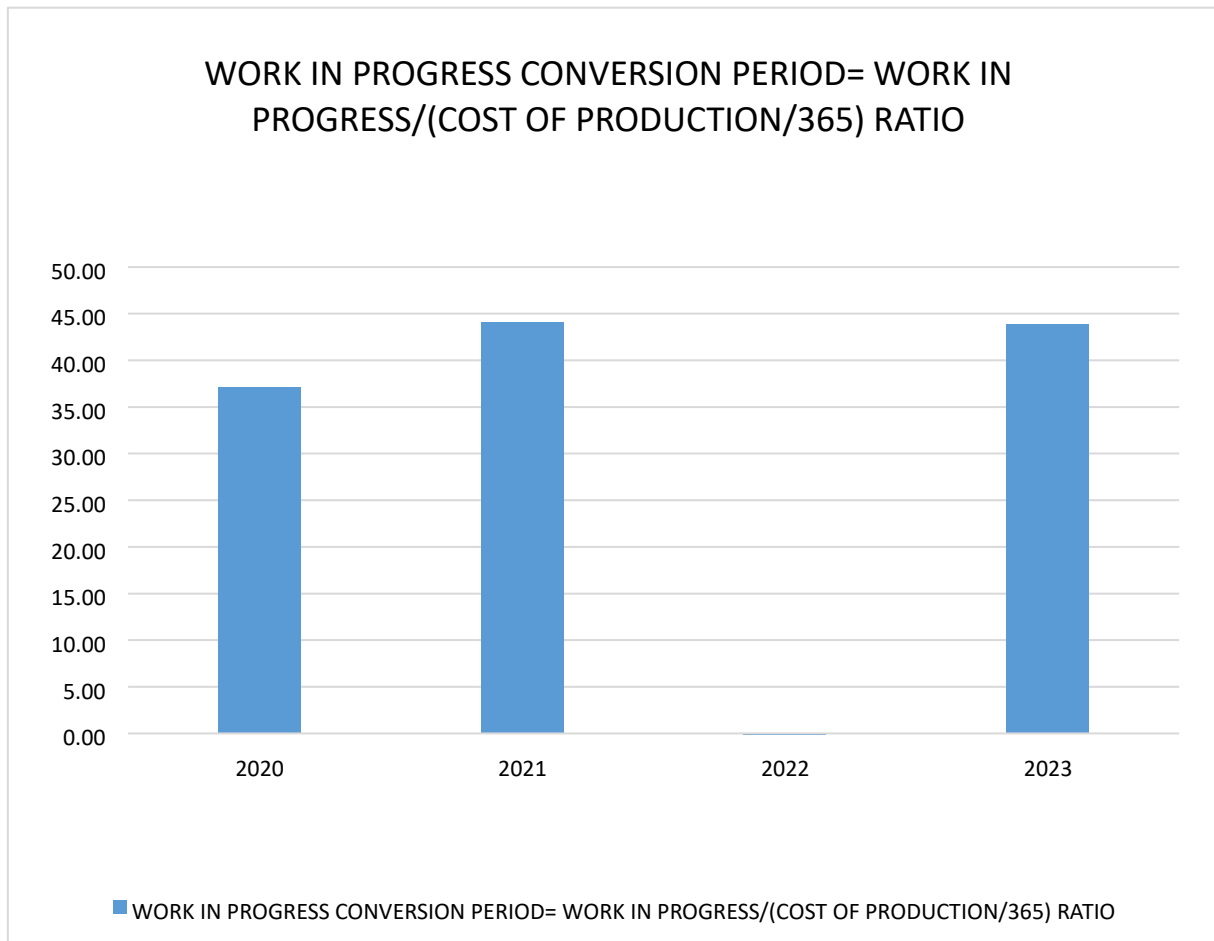


Fig 4.1.5 Work in progress conversion period

4.1.6 Days payable outstanding ratio

It is an efficiency ratio which measures the average number of days accompany takes to pay its suppliers.

$$\text{Days Payable Outstanding Ratio} = \frac{\text{Accounts Payable} \times 365}{\text{Cost of Sales}}$$

Table 4.1.6 Days payable outstanding ratio

YEAR	Trade payable	Cost of Sales	Ratio(Days)
2020	226163.80	2134.03	105.98
2021	95571.15	1922.34	49.72
2022	116383.80	1987.35	58.56
2023	192051.06	2854.04	67.29

Interpretation

From the above table shows that Days payable outstanding ratio of the company under study is decreasing year by year from 2020 to 2021 and increasing from year 2022 to 2023.

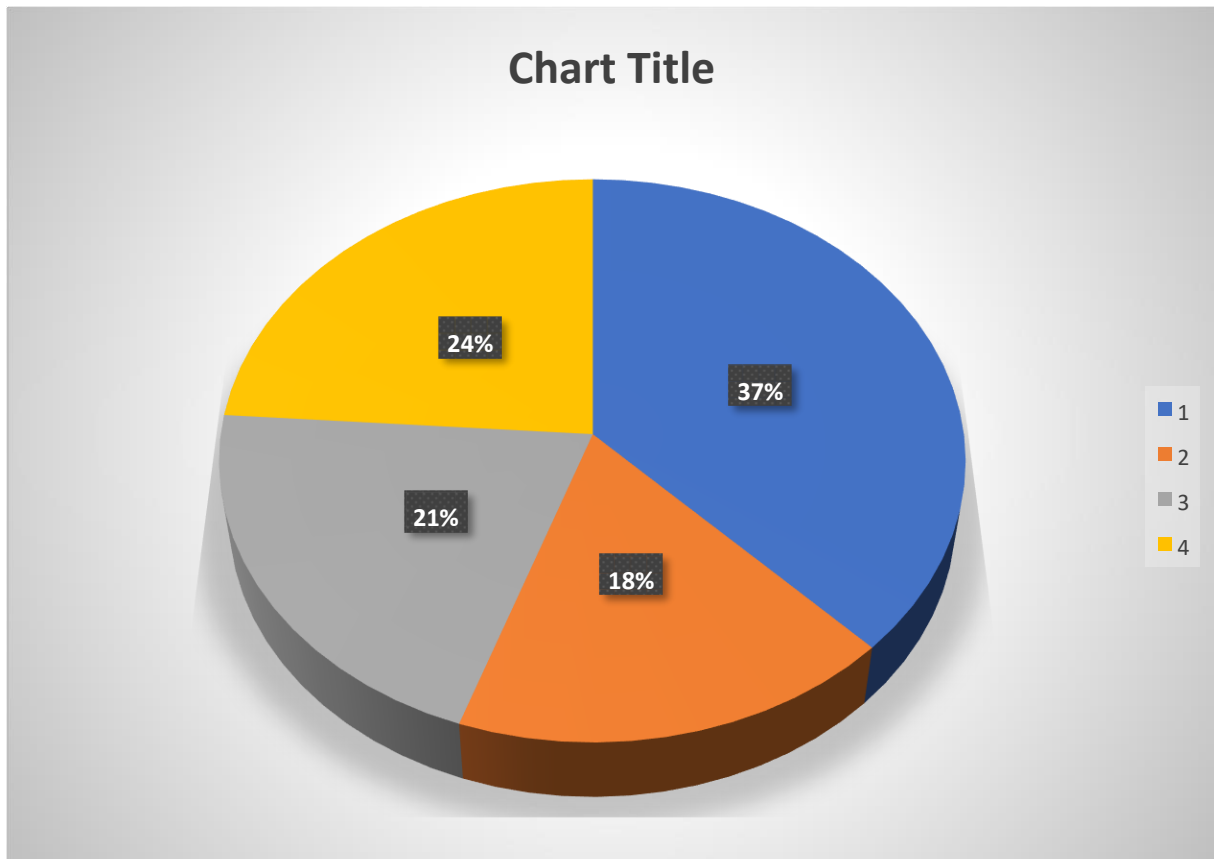


Fig 4.1.6 Days payable outstanding ratio

4.1.7 Current ratio

This ratio measures the company's ability to pay short-term obligations or those due within one year.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

YEAR	Current Asset	Current Liabilities	Current Ratio
2020	2353.46	1111.19	2.12
2021	2253.31	613.38	3.67
2022	2240.03	517.37	4.33
2023	3244.34	1300.53	2.49

Interpretation

From the above table shows that current ratio of the company under study is increasing year by year from 2020 to 2022 except 2023.

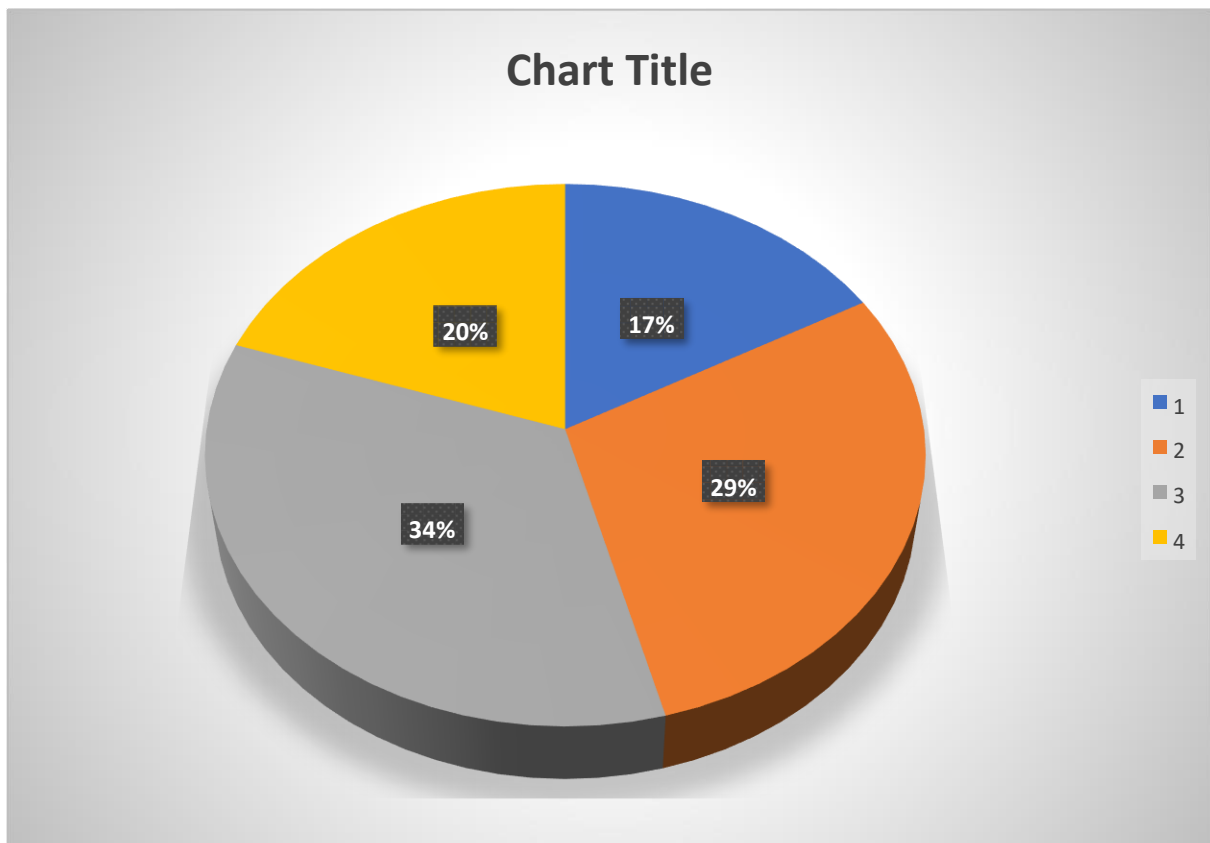


Fig 4.1.7 Current ratio Table

CHAPTER 5 FINDINGS, CONCLUSION

FINDINGS:

1. That inventory turnover ratio of the company under study is increasing year by year from 2020 to 2022 except 2023
2. That inventory Holding period of the company under study is decreasing from year by year from 2020 to 2021 except the year 2023 its has been increased to 0.47%.
3. Inventory conversion period of the company under study is decreasing year by year from 2020 to 2022 except 2023
4. Average day to sell inventory ratio of the company under study is decreasing year by year from 2020 TO 2021 except 2023.
5. Inventory turnover ratio of the company under study is increasing year by year from 2020 to 2021 and 2023 except 2022.
6. Days payable outstanding ratio of the company under study is decreasing year by year from 2020 to 2021 and increasing from year 2022 to 2023
7. Current ratio of the company under study is increasing year by year from 2020 to 2022 except 2023.

CONCLUSION

The overall performance of the company regarding inventory management is satisfactory in terms of efficient utilization of the inventories during the period under the study. Inventory management has to do with keeping accurate records of finished goods that are ready for shipment. This often means positioning the production of newly completed goods to the inventory totals as well as subtracting the most recent shipments of finished goods to buyers. When the company has a return policy in place, there is usually a sub-category contained in the finished goods inventory to account for any returned goods. Inventory makes it possible to quickly convey information to sales personnel as to what is available and ready for shipment at any given time. Inventory management is important for keeping costs down, while meeting regulation. Supply and demand is a delicate balance, and inventory management hopes to ensure that the balance is undisturbed. Highly trained inventory management and high quality software will help to make inventory management a success. The ROI of inventory management will be seen in the form of increased revenue and profits, positive employee atmosphere, and an overall increase of customer satisfaction. In relation to the main objective of the study, it can be concluded from the above results that the company is efficient in management of inventory during the period of study and may be required to maintain this level of efficiency in coming years.

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APPENDIX

PROFIT AND LOSS A/C OF CORI ENGINEERING WORKS

PVT LTD

particulars	2023		2022		2021		2020	
i)Revenue from operation	529134,20		462519,44		502856,28		392073,15	0
ii)Other income	20,107,080		2,976,320		1350,316		2588702	
iii)Total income		549241,28		465495,76		504206,60		394661,85
iv)Expenses								
Cost of material consumed	285404,01		198735,03		192233813			
Purchase of stock in trade								
Work in progress and stock in trade	59209,218		131,671		56135109		37221142	
Employee benefit	61240,836		58549,601		50729135		52652733	
Finance cost	7728,269		6269,613		9169734		8948201	
Depreciation	18800,000		19984,283		19363190		19746252	
Operation expenses	154540,23		130515,19		119286903		86239653	
Other expenses	24,273,772		20749,275		17800674		22583955	
Total		492777,90		434671,32		46471866		366352572
v)Profit/loss before exception		56463,386		30824,438		39488036		28309280
vi)Exceptional item		—		—		—		—
vii)Profit/loss extraordinary items		56463,386		30824,438		39488036		28309280

viii)Extraordinary items						—		—
xi)Profit/loss before tax		56463,386		30824,438		39488036		28309280
x)Tax expenses								
Current tax	13360,000		7800,000		10000000		7200000	
Earlier year tax	2838092				—		10490067	
Deferred tax	316257	15881,835	577,479	7222,521	413930	9586070	512290	3802357
xi)Profit or loss for period		40581,550		23601,917		29901966		32111637
xii)Earnings per equity share								
Basic		899.41		523.09		662.72		711.69
Diluted		899.41		523.09		662.72		711.69

BALANCE SHEET OF CORI ENGINEERING PVT LTD

particulars	2023		2022		2021		2020	
i)equity and liabilities								
1) share capital	4512000		4512000		4512000		4512000	
b) reserves and surplus	3484735		3169159		3023380	3068500	2814601	3597211
c) money received against sha		3529855		3214279		—		—
2)non – current asset								
a)long term borrowing	2999000		3019000		3859000		2019000	
b)long term provisions	3180769	3317076	9 2873846	3306384	2703846	4129384	6 2703846	2893846
3) current liabilities								
a)short term borrowings	5960576		7882045		1634705		4202571	
b)trade payables	5261672		3188597		2618387		6196268	
C)other current liabilities	1316048		7298991		1068518		7130343	
d) short term provision	4669920	1300528	4669920	5173692	8121600	6133771	—	1111874
Total		5162092		4062287		4094816		1998470
ii)assets								
1)non – current assets								
i)property, plant & equipment	1802020		1708719		1745778		1752680	
ii)intangible assets	0		0		0		0	
iii)capital work in progress	5753593		5702982		4702982		4702982	
b) deferred tax assets	2276552		1960295		1382816		968886	
c)othere non – current assets	3543212	1917754	3690254	1822255	3487162	1841508	3698862	3463878
2)current assets								
a)current investment	—		—		—		—	
B)inventories	1264452		6213546		5984846		1154864	
c)trade receivables	1515007		1187610		1392656		8942779	
d)cash and cash equivalents	1036543		1226169		1078497		6721723	
e)other current assets	3612237	3244337	3084508	2240032	1543168	2253308	2370997	2353459
total		5162092		4062287		4094816		4199847