



A Study on Inventory Management in Sibar Autoparts Pvt. Ltd; At Renigunta

¹James Jino, ²Dr S. Kishore

¹Student of MBA, Annamacharya Institute of Technology & Sciences Tirupathi

²Assistant Professor, Annamacharya Institute of Technology & Sciences Tirupathi

ABSTRACT

Inventory Management System is extremely useful to business owners, as they allow stores to properly shop sales and buy records. When inventory is mismanaged, it ends in disappointed clients, slower sales, an excessive amount of cash reachable, and warehouses. This inventory device reduces guide paintings, human mistake, and guide delays at the same time as simultaneously speeding up the system. This inventory control device may be capable of song income records in addition to inventories. Inventory control machine is a web utility for Windows that focuses on inventory and sales clearance. It become created for Windows working structures. The stock management system has some of capabilities. This web software has logical tools for evaluating ideal inventory stages and deciding on the correct replenishment techniques automatically. It also has competencies like the capacity to pick out stock stages, compute reorder points routinely, and spotlight ability inventory-outs. This method removes the danger of stock-outs of fast-transferring items by means of minimizing delays.

Index Terms: Inventory Management System, tune sales, income clearance, time saving, warehouse, inventory.

INTRODUCTION

Inventory in wider experience, is defined as any idle aid of an employer. It is a bodily inventory of products debt for the motive of future affairs. The time period is usually used to signify uncooked materials in method, completed merchandise, packing, spares and others – stocked in order in meet anticipated call for or distribution within the future. Though stock of substances in an idle resource – it isn't intended for fast use – it is almost vital to keep a few inventories for the easy functioning of an agency.

For instance, let us don't forget an company that has no stock of substances in any respect. When this corporation gets a income order, it'll need to order out the uncooked cloth required to complete the order, wait till these arrive after which start production. This could hold the customers invariably to attend too lengthy for the delivery of the goods ordered. Among different negative aspects of not variably to attend too lengthy for the transport of the products ordered.

Definition of inventory management

Inventory is a list for items and materials, or those items and substances themselves, held available in stock by a business. It is also used for a listing of the contents of a family and for a list for testamentary functions of the possessions of someone who has died.

The formal control of the timing and portions of goods to be ordered and stocked via an organization in order that demand can continually be satisfied without extra expenditure.

Treats inventories, as “Locked, up capital”. Inventory measured by rupee value constitutes the important detail inside the “Working Capital” (about 60% of contemporary assets).

- John Hampton

“Good stock management is not anything but desirable financial control”

-S.C. Kuchal

Review of literature

Inventory management is considered as main concerns of each organisation. In inventory holding, many steps are taken by managers that end result a cost concerned on this row. This fee might not be steady in nature in the course of time horizon in which perishable stock is held. To inspect on any such case, Taygi (2014) proposes an optimization of inventory model wherein items become worse in inventory conditions.

In this paper, based on an actual-international case take a look at for a municipal district in Tehran, a multi- goal mathematical version is advanced for the area-distribution trouble. The proposed version considers the position of call for in an city location, which is probably stricken by neighbor wards. Integrating decision making system for a disaster enables to enhance a better alleviation operation at some stage in reaction phase of catastrophe control cycle. In the proposed approach, Esmaeili (2014) says, a proactive harm estimation technique is used to estimate needs for the district based totally on worst-case situation of earthquake in Tehran

This paper deals with the application of six most potential choice rating methods for choosing the fine FMS for a given production organisation. Chatterjee and Chakraborty (2014) say, it is discovered that even though the performances of these six methods are almost comparable, ORESTE approach barely outperforms the others.

Agnelo and Fernandes(2012) goals to research, thru a case have a look at known as Researching the Value of Project Management, the family members of the constructs of this conceptual version and to reveal how they interfere with the organizational values, in all likelihood in packages performed through a government business enterprise, from the attitude of the senior control at once involved.

The term emerging technology (ET) has been often utilized by IT specialists and academics. However, little studies has shed mild on this time period and unique its characteristics and what it means. Halaweh M (2013) aims to define and conceptualize the traits of ET. These traits are uncertainty, community effect, unseen social and moral worries, cost, drawback to specific international locations, and a lack of research and studies.

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.

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's inventory control existing condition and reduce costs of the company.

Hong Shen, 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.

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.

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. Research

OBJECTIVES OF THE STUDY

- To take a look at approximately stock management of SIBAR AUTO PARTS LTD TIRUPATI
- To preserve uncooked fabric classification for higher manage.
- To recognize the efficient of Inventory Management Techniques.
- To have a look at the effective usage of inventory.

SCOPE OF THE STUDY

This take a look at has been conducted in Sibar Auto Parts Ltd., Tirupati. The study seeks to discover the elements utilized in Inventory Management. To conduct this studies the researcher has analyzed the statements, ledgers, and different books of bills of the priority. The facts amassed has been analyzed and the researcher has arrived on findings which have proved it worth to recognize approximately the regions of Inventory Management.. As the examine focus on figuring out the existing capability of the agency's Inventory techniques and ambitions at identifying the fine set of Inventory strategies to be carried to enhance the employer's policy I determining their Inventory stages.

NEED OF THE STUDY

The preference of region of the study for the assignment work became given after initial observe of enterprise's operations and the structures of operating. Though the employer has several departments, the prime location of my hobby changed into in finance. After scrutinizing diverse finical factors, I determined inventories which is composed an imperative part of working capital of Sibar Auto Parts Ltd., Tirupati wished higher control.

The business enterprise did now not observe medical stock management gadget before 2010 and therefore there a rise a need to devise a system which could drastically lessen the value and for this reason constituting towards profitability.

Every company ought to keep adequate inventory for its clean running of the commercial enterprise and to give the opposition and enterprise for that reason preservation of adequate inventory is should.

- To centers smooth production and sales operations.
- To face the threat of variant in call for and supply.
- To face the price modifications in inventory and quantity discounts

RESEARCH DESIGN

Research design in only and simply the framework or plan for a examine that courses the collection and analysis of the facts. The function of researcher is to make certain that the specified statistics are accurate and within your budget additionally.

An analytical studies technique become followed in the task. Generally, analytical strategies are designed to investigate something and it collects records for a specific and positive cause. The assignment especially specializes in the critical evaluation of the stock management of imperative coach manufacturing facility and deals with production bills analysis, and stock control.

DATA COLLECTION

Sources of facts include each number one and secondary statistics.

- Secondary Data

The secondary information are gathered from annual reports, production debts statements, branch manuals, brochures and other printed substances issued through the agency.

TOOLS FOR ANALYSIS:

The equipment for analysis of the information by the use of ABC analysis and EOQ

Data accrued from all the to be had resources may be tabulated, analyzed, interpreted and supported with applicable charts, tables, graphs, etc., where ever necessary and recommendations bobbing up thereof will also be listed in the assignment.

ABC ANALYSIS (2017-2018)

CLASS	REQUIRED QUANTITY	%OF REQUIRED QUANTITY	NO.OF ITEMS	VALUE	% OF VALUE
A	19935	6.07	10	475794	3.70
B	33908	10.33	20	1312752	10.19
C	274530	83.60	29	11085735	86.11
TOTAL	328373	100.00	59	12874281	100

INTERPRETATION:

Every year the company will take regular items. So, the percentage of ABC classification will be same. The required quantity of 'A' Class is 19935 and 'B' 33908 and 'C' 274530 the percentage of "ABC" is 6.07% 10.33%, and 83.60% the number of "ABC" is 10,20,29 and the value these items is 475794, 1312752, and 11085735 and the total is 1287481. And the percentage of the value is 3.70,10.19,86.11 and the total percentage is 100.

ABC ANALYSIS (2018-2019)

CLASS	REQUIRED QUANTITY	%OF REQUIRED QUANTITY	NO.OF ITEMS	VALUE	% OF VALUE
A	272527.3	54.29	10	1038514.4	72.90
B	76539.88	15.42	20	2980029.78	21.07
C	147096.33	29.64	30	851191	6.02
TOTAL	49616351	100	60	14139735.18	100

INTERPRETATION:

Every year the agency will take normal objects. So, the proportion of ABC category will be same. The required quantity of 'A' Class is 2725 and 27.Three 'B' 76539.88 and 'C' 147096.33 the percentage of "ABC" is fifty four.Ninety two%, 15.Forty two% and 29.64 the number of "ABC" is 10,20,30 and the percentage of the value is 72.Ninety, 21.07,6.02 and the overall percentage is a hundred

ABC ANALYSIS (2019 - 2020)

CLASS	REQUIRED QUANTITY	% OF REQUIRED QUANTITY	NO.OF ITEMS	VALUE	% OF VALUE
A	2746.24	84.18	10	87673270	97.37
B	40999	12.48	20	1918921	2.13
C	10950	3.33	29	452604	0.50
TOTAL	328373	100.00	59	90044795	100.00

INTERPRETATION:

Every year the employer will take everyday items. So, the share of ABC classification can be same. The required quantity of 'A' Class is 276424 and 'B' 40999 and 'C' 10950 the share of "ABC" is eighty four.18%,12.48% and 3.33% the number of "ABC" is 10,20,29 and the price those objects is 87673270, 1918921, and 452604 and the overall is 90044795. And the percentage of the value is 97.37,2.Thirteen,0.50 and the total percent is a hundred.

ABC ANALYSIS (2020-2021)

CLASS	REQUIRED QUANTITY	% OF REQUIRED QUANTITY	NO.OF ITEMS	VALUE	% OF VALUE
A	454211.17	59.49	10	17180855	75.61
B	68725.41	9.00	20	4122174	18.41
C	240612.32	31.51	30	1418652	6.24
TOTAL	763548.9	100.00	60	22721681	100.26

INTERPRETATION:

Every 12 months the business enterprise is taking regular items. So, the percentage of ABC class might be equal. The required quantity of 'A' Class is 454211.17 and 'B' 68725.41 and 'C' 240612.32 the share of "ABC" is fifty nine.Forty nine%,nine% and 31.51% the quantity of "ABC" is 10,20,30 and the price those items is 17180855, 4122174, and 1418652 and the entire is 22721681. And the percentage of the value is 75.Sixty one,18.41,6.24 and the whole percentage is one hundred.

FINDINGS

- It was found that the company is consuming same raw-material as per ABC Classification as 'A' Class items 'B' class items and 'C' class items.
- Basically company was running on the basis of job work so, inventory management is not given that much importance.
- Even carrying cost is looking high i.e, 2.75% which constant for 4 years as it had greater impact on inventory maintenance cost.
- In general when orders increase automatically EOQ decreases which inversely proportional. As EOQ for past 4 years shows that company is going for less number of orders.
- Generally it is known fact that annual consumption of raw-materials increases year by year as company, growing. In such a way annual consumption form 2017-2018 to 2020-2021 is also increased.

5.2 SUGGESTIONS

As per my project report I suggested like this,

- As company converted into own sales it should have its own inventory policy which can produce better results by minimizing costs.
- The company has to implement "JIT" (just in time) policy, which literally reduces inventory cost.
- As of company is going for wide expansion in SIBAR Autoparts Ltd., it should pay much more attention to wards research & development.
- As company is already maintaining ERP packages. But, an employee also has to be given firm training regarding that.

CONCLUSION

The company inventory position is up to some extent satisfactory. The company by strictly following inventory management techniques like EOQ, ABC analysis can increase its profits. By supplying the finished products at reasonable prices to the customers and thus increase its period of existence in the market.

References

1. Koumanakos, D. P.(2008).The Effect of Inventory Management on Firm Performance. *International Journal of Productivity and Performance Management*, 57(5), pp. 355-369.
2. Jose, T., Jayakumar, A., &Sijo, M.T..(2013). Analysis of Inventory Control Techniques- A Comparative Study.*Internation Journal of Scientific and Research Publications*, 3(3), 520–530.
3. Plinere, D., & Borisov, A. (2015).Case Study on Inventory Management Improvement. *Information Technology and Management Science*, 18(1), 91–96.
4. Shen, H., Deng, Q., Lao, R., & Wu, S. (2016).A Case Study of Inventory Management in a Manufacturing Company in China. *Nang Yan Business Journal*, 5(1), 20–40.
5. Sharma, A. and Vivek, A. (2016).Study of Inventory Management in Manufacturing Industry.*International Journal of Advanced Engineering and Global Technology*, 4 (03).
6. Mohamad, S. J. A. N. bin S., Suraidi, N. N., Rahman, N. A. A., &Suhaimi, R. D. S. R. (2016). A Study on Relationship between Inventory Management and Company Performance: A Case Study of Textile Chain Store. *Journal of Advanced Management Science*, 4(4), 299–304.
7. Waters, D. (2017).Inventory Management. *Handbook of Logistics and Supply-Chain Management*, 02 March,pp. 195-212.
8. Ooi, C.W., Idrus, R., Abdullah, N.L. (2017).Extended ERP for Inventory Management: The Case of a Multi-National Manufacturing Company.
9. Latosinski, P., and Bartoszewicz, A. (2017).Inventory Management Strategies with Higher Relative Degree Sliding Variables.

Websites:

- ✉ www.sibarautomobil.com
- ✉ www.sibarauto77@yahoo.com