

A Study on fixed asset management

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Abstract- The accounting procedure known as "fixed asset management" tracks fixed assets in order to keep track of them for financial accounting, maintenance purposes, and theft prevention. Maintaining track of the location, amount, condition, and status of maintenance and depreciation of fixed assets is a major task for organizations.

Control over the effective use of industrial sites (lands), machinery, vehicles, and other labor tools must be ensured by the accounting of fixed assets. Keep in mind that managing an organization's production operations requires constant monitoring of labor availability and effective utilization; for these reasons, a fixed assets management study is conducted.

Key words- tracking fixed assets, industrial sites, depreciation of fixed assets, status.

I.INTRODUCTION

Tracking and keeping up with an organization's tangible assets and machinery is known as fixed asset management. Since they are simple to use with mobile devices and scan, barcodes, QR codes, and RFID are widely used by organisations to help track their assets. Autos, computers, furniture, and machinery are examples of asset types.

Organisations can: • Track and monitor fixed assets; • Manage machinery and equipment across different sites; • Save a record of all assets that have been sold, retired, stolen, or lost; • Increase operational efficiency; and

Companies may keep an eye on machinery and vehicles, evaluate their condition, and maintain optimal operation with the help of fixed asset management. They enhance the lifetime value of an asset by reducing lost inventory, equipment breakdowns, and downtime.

THEORETICAL BACKGROUND OF THE STUDY

Large capital investments are needed for fixed equipment like servers, transport trucks and lifts. A substantial amount of a company's net worth could be made up of these. For certain organisations, purchasing vehicles and equipment might account for as much as 40% of investment.

A company's chances of optimising value from its investments are higher the more skill fully and efficiently it manages its assets. Without a fixed asset management system, a company could encounter the following problems: unscheduled downtime; equipment malfunctions; lost or misplaced inventory; violations of safety or environmental laws; and inability to adhere to legal or regulatory requirements.

II.OBJECTIVES OF THE STUDY

- To evaluate how much capital the company has invested.
- The purpose of the study is to assess Reckitt Benckiser India PVT LTD Hosur's fixed asset turnover.
- The purpose of the analysis is to determine if the company is receiving sufficient returns from its fixed asset.

III.METHODOLOGY

The company's annual reports provided the secondary kinds of data utilised for the analysis and interpretation.

SOURCES OF DATA

The information gathered for this project comes from the following sources:

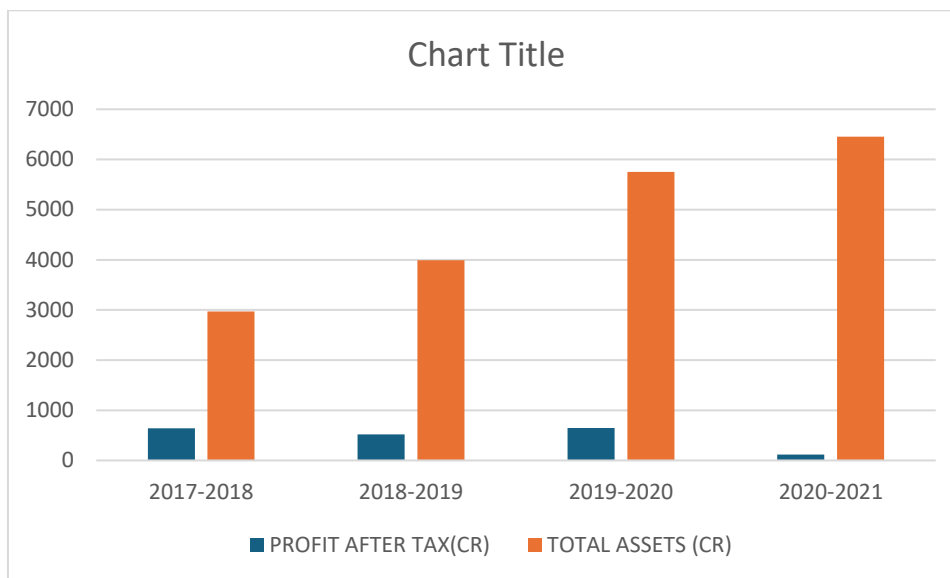
1. Only secondary sources are used to obtain the data.
2. Only reputable text books and references are used to compile the theoretical information.
3. The financial information and data is obtained from the company's annual reports.

IV.DATA ANALYSIS & INTERPRETATION

TREND ANALYSIS:

It is generally recommended to use index numbers for trend analysis. The process involves allocating the numbers to items from base years and calculating the percentage change in each item from other years relative to base year. The term "fixed percentage method" may be used to describe this process. This margin implements the % relationship of each statement item means on the same in the base year and establishes the direction, either upward or downward. In most cases, the first year is used as the baseline. The trend ratio for the remaining years is computed using the first year's data, with the base year's figures set at 100. An attempt is made to determine the overall growth rate here.

YEAR	FIXED ASSETS(IN CR)	TREND PERCENTAGE
2017-2018	1718.84	100
2018-2019	2669.2	155.2907775
2019-2020	3844.65	223.6770147
2020-2021	4129.53	240.2509832



INTREPRETATION:

Investments in fixed assets are rising, as the above table demonstrates. In light of this, the business benefits. In contrast to 2017–2021, there has been a consistent increase in the ratio of 100% to 240.25%.

RATIO ANALYSIS:

A useful technique for financial analysis is ratio analysis. Ratios examine the relationship between individual values and relate it to the past and potential future performance of a company. The indicated quotient of two mathematical expressions is defined as a ratio. An accurate picture of the firm's performance and financial situation cannot be obtained from the absolute accounting figure disclosed in financial statements. Ratios assist us in summarising vast amounts of financial data and in qualitatively assessing the financial performance of a firm.

FIXED ASSET RATIO:

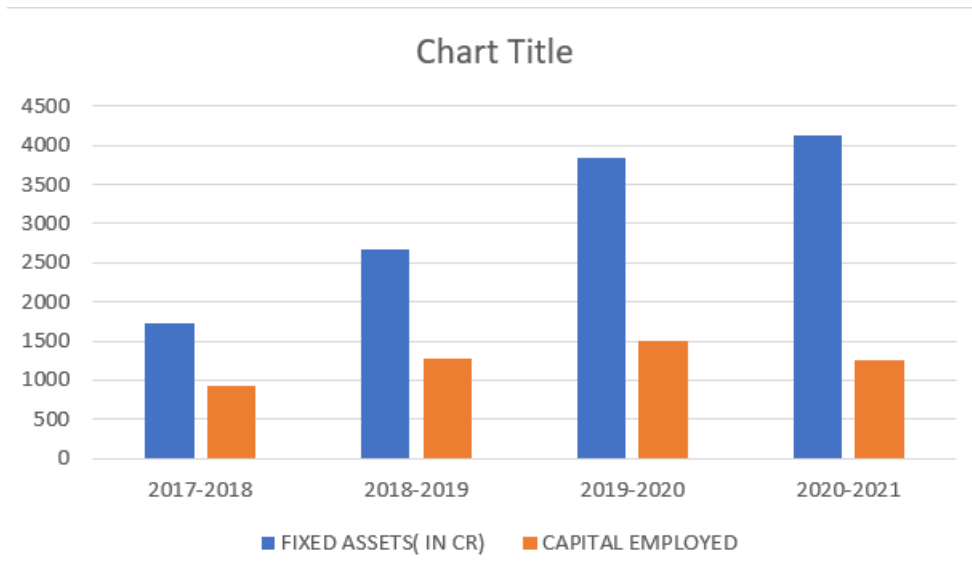
This ratio explains whether the firm has raised adequate long term fund to meet its fixed assets required and is calculated as under:

= Fixed assets (after depreciation) / Capital employed

This ratio gives an idea as to what part of the capital employed has been used in purchasing the fixed assets for the concern. If the ratio is less than 1 it is good for the concern.

Fixed assets (after depreciation) / Capital Employed

YEAR	FIXED ASSETS(IN CR)	CAPITAL EMPLOYED	RATIO IN %
2017-2018	1718.84	936.18	1.84
2018-2019	2669.2	1284.36	2.08
2019-2020	3844.65	1494.5	2.57
2020-2021	4129.53	1254.51	3.29



INTERPRETATION

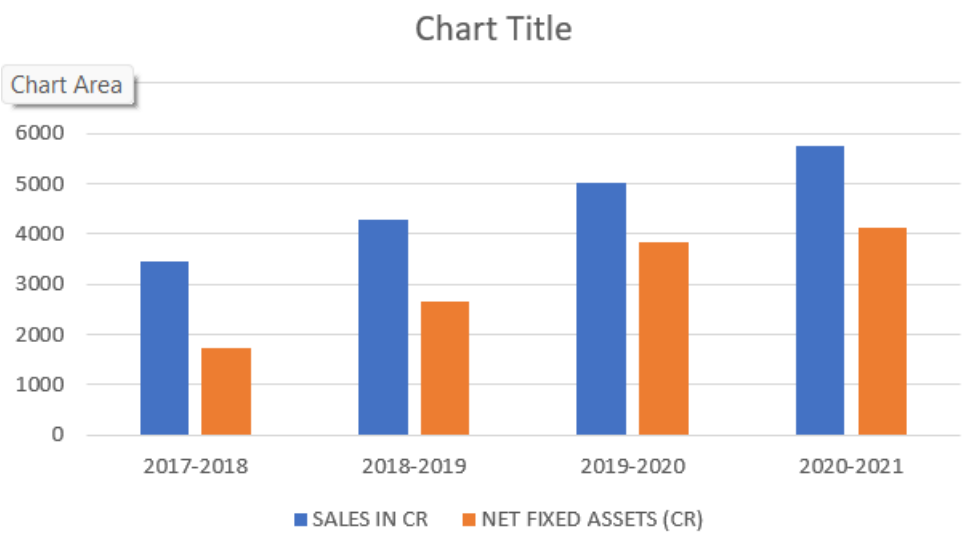
The above table shows growth in fixed assets satisfactory position of fixed assets in the total capital employed in the company. The highest percent 3.29 recorded in the year 2020-2021. That shows the position of the company is satisfactory.

FIXED ASSETS TURNOVER RATIO:

The ratio expresses the no. of times fixed assets are being turned over in a stated period. It is calculated under. = Sales /Net fixed assets (after depreciation)

This ratio shows how well the fixed assets are being used in business. The ratio is important in case of manufacturing concern because sales are produced not only by use of current assets but also by amount invested in fixed assets the higher ratio, the better is the performance. On the other hand, a low ratio indicates that fixed assets are not being effectively utilized.

A	B	C	D
YEAR	SALES IN CR	NET FIXED ASSETS (CR)	RATIO IN %
2017-2018	3440.32	1718.84	2.00
2018-2019	4292.07	2669.2	1.61
2019-2020	5020.63	3844.65	1.31
2020-2021	5750.72	4129.53	1.39



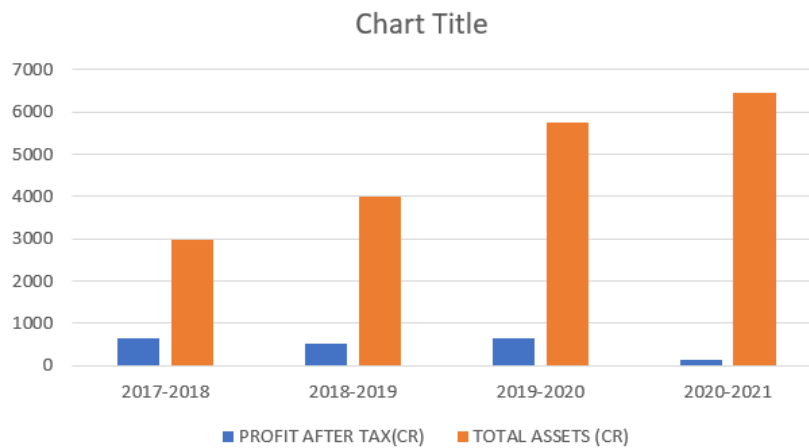
INTERPRETATION

The above table shows increases in fixed assets turnover from 2017-2021. This shows the favourable position of the company.

RETURN ON TOTAL ASSETS:

This ratio is calculated to measure the profit after tax against invested in total assets to ascertain whether assets are being utilized properly or not. The higher the ratio the better it is for the concern.

YEAR	PROFIT AFTER TAX(CR)	TOTAL ASSETS (CR)	RATIO IN %
2017-2018	641.8	2972.92	0.22
2018-2019	520.99	3992.67	0.13
2019-2020	648.29	5753.21	0.11
2020-2021	120.24	6453.1	0.02



INTERPRETATION

The above table shows increase in profit 2017-2021 profit has gone up. This shows the favourable position of the company.

LEARNINGS

- Checked whether the produced stock is correct in warehouse with specified code and quantity.



- Learned about tax invoices and how they are managing and doing calculations.
- I involved in asset tagging task, which is used to identify the asset specific number code and bar code.
- And I printed all the bar codes of assets by tracnet website which is unique website only for reckitt company

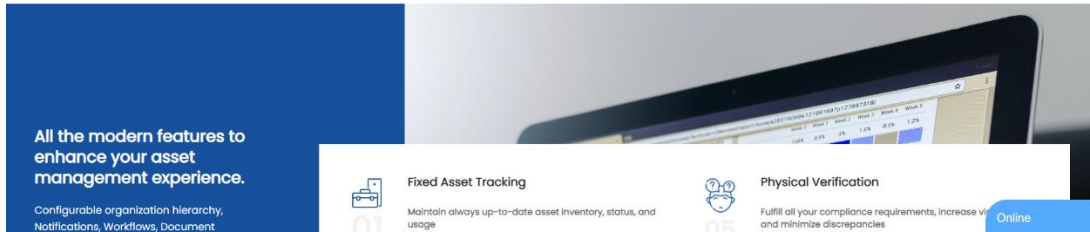


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- This website is used to manage the fixed assets and to analyse, it is fixed asset tracking website.
- With third party auditors I worked to tag the printed bar code tags to assets and analyse physically whether it is there as on stock report.



- I used to tools excel and tracet website for my learnings and analysis.

RECOMMENDATIONS

- It is suggested to improve the position of the company by effective’s utilization of fixed assets.
- Growth rate in fixed assets can be increase by employing more investment.
- Total investment to sales can be improved.
- Globalization of economies and the requirement of shares from investors in capital market, diverse and demanding audience to the company, need a clear and in-depth in information about the company’s financial position in Annual report.

V.CONCLUSION

After analysing the financial position of RECKITT BENCKISER INDIA PVT LTD and evaluating its fixed assets management or capital budgeting techniques in respect of trend analysis and ratio analysis. The following conclusions are drawn from the project preparation.

- Regarding to the fixed assets to net worth ratio shows a continuous increase in net worth and fixed assets. This shows the satisfactory position of the company.
- Regarding the long-term funds to fixed assets they show an increase.
- Regarding the total investment turnover ratio it is observed sales had an increase from 2018-21.
- Regarding the Fixed Asset turnover ratio, sales had an increased.

- Regarding the Return on total assets ratio it has been observed that There is profit. This shows the favourable position of the company
- From the above study it can be said that the RECKITT BENCKISER INDIA PVT LTD overall financial position on fixed assets is satisfactory.

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