

# **A PROJECT REPORT**

(18MBAPR407)

on the Topic

**A Study on Inventory Management at BLK Life Style Ltd, Bengaluru**

By

**Mr. Nithin M**

USN: 1CR18MBA32

MBA 4<sup>th</sup> Semester

Submitted to VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI  
in partial fulfillment of the requirements for the award of the degree of  
MASTER OF BUSINESS ADMINISTRATION



Under the Guidance of

**Internal Guide**

**Mr. Kathari Santosh**  
Asst professor

**Bangalore**

**External Guide**

**Mr. P.K PANDEY**  
Regional Head  
BLK Lifestyle



**DEPARTMENT OF MASTER OF BUSINESS ADMINISTRATION**

**CMR INSTITUTE OF TECHNOLOGY**

#132, AECS Layout, ITPL Main Road, Kundalahalli,  
BENGALURU-560037

**JULY - 2020**

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## CERTIFICATE

This is to certify that **Mr. Nithin M** bearing USN **1CR18MBA32** is a bonafide student of Master of Business Administration Programme of the Institute (2018-20 Batch), affiliated to Visvesvaraya Technological University, Belagavi. Project report on **"A STUDY ON INVENTORY MANAGEMENT AT BLK LIFE STYLE LTD, BENGALURU"** is prepared by him under the guidance of **Mr Kathari Santosh**, Assistant Professor, in partial fulfilment of the requirements for the award of the degree of Master of Business Administration of Visvesvaraya Technological University, Belagavi in Karnataka.

  
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Accredited by NBA New Delhi, Recognised by Government of Karnataka



**BLK Lifestyle**  
Making spaces magical

**To whom so ever it may concern**

This is to certify that Mr, NITHIN. M bearing USN NO: 1CR18MBA32, a basified student of Master of Business Administration course of the CMRIT (2018-2020). Affiliated to VTU Belgium. He has satisfactory completed his organization study on BLK lifestyle from 01/02/2020 to 16/02/2020 during his study he has evinced keen interest

We wish him good luck in his career and success in future




## DECLARATION

I, **MR. NITHIN M** bearing USN: **1CR18MBA32** hereby declare that the project report on “**A Study on Inventory Management at BLK Life Style Ltd, Bengaluru**”, is prepared by me under the guidance of **Mr.Kathari Santhosh, Asst. Professor** of M.B.A Department of CMR Institute of Technology, Bengaluru and external assistance by **MR. P. K. PANDEY, REGIONAL HEAD BLK Life Style Ltd, Bengaluru**.

I also declare that this project work is prepared in 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. I further declare that this report 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: Bengaluru**  
**Date: 03-07-2020**

  
**Signature of the Student**  
**USN: 1CR18MBA32**

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**MR. NITHIN. M**

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## **EXECUTIVE SUMMARY**

A study of “**Inventory management**” at BLK Lifestyle Ltd. . "A Research setup is the course of action of the condition for combinations for arrangements and examination of the such that way to join criticalness to investigate reason with economy in strategy". The assessment arrangement is the conceived structure with in which investigation is coordinated.

Each business firms anyway of all shapes and sizes needs to keep up stock and it constitution a vital aspect of the working capital. It has been assessed that stock in Indian enterprises comprise a critical speculation not exclusively to get them yet additionally to hold them. Interest in stock is supposed to be inert however it is unavoidable in any association assembling or cost has gotten fundamental malevolence.

Subsequently it would be extremely fascinating to illuminate the structure of stock of the organization in bring up the level of effective with which assets were used in the significant segment of working capital.

It would be similarly relevant in this association with propose the was and means by which the open undertaking may improve their administration of stock. Accordingly here is a need see altogether the title of study.

**CHAPTER - 1**  
**INTRODUCTION**

---

## 1.1 INTRODUCTION TO INVENTORY:-

Stock organization is a critical pieces of any successful business. It is the course toward regulating and controlling the development of stock units a business utilizes in the creation or social event of item open to be purchased or spread. Inventories are generally contained a mix of thing, brutal materials and finished things, and conceivable relationship of these things is basic to ensure optical stock levels and to build up the triumphant limit of the alliance. It in like manner allows a business to baffle or direct any stock related troubles.

Stock affiliation forming PC programs is used by relationship for various reasons, it can follow the costs of stock all through the accumulating and plans measure, encourage affiliations when to re establish stock, and grant them to follow benefits. It can furthermore be used to figure stock levels and expenses, similarly precisely true to form thing demand.

Sensible stock affiliation is immense as regardless of how stock is one of the most vital ideal conditions for a business there is a smart connection between stock levels and accomplices benefits. Stock keeps an eye on an endeavor that is tied up until either the thing is sold, or it is used in the making of something else is sold. Affiliations are reliant on having things in stock regardless customers will essentially go to a competitor who can give what they need.

A stock affiliation structure screens all pieces of a connection's stock as things travel through the creation and strategies measure. The strategy wires following customers orders, passing on, costs, stock and blueprints. Regardless of whether a business has a type of stock programming set up, there are a few essential segments every structure needs to work capably. This joins proficient territory names, easy to scrutinize and unambiguous zone marks, extraordinary thing numbers, units of measure, a not too bad starting count, incredible methodologies or more all people who know and can follow those courses of action.

# INVONTARY MANAGEMENT

## 1.2 INVENTORY

In continuous decades men have shown a growing knowledge of the necessities for precision in the field of stock control. In past many years, inventories were considered as indication of wealth: even inventories fantastically in excess of the total expected to carry on the strategy of creation and spread significant.

### **Meaning of inventories:**

Inventories control is a framework which guarantee the arrangement of the necessary amount of inventories of the opportune time which dependable measure of capital speculation. I target acquiring the most extreme stock turnover with adequate stock to meet all prerequisites.

### **Definition of inventory management**

The term as been characterized by a few creators. The more well known of them are "The term stock incorporates materials line in process. Got done with bundling spaces and others loaded so as to satisfy on surprising need or dispersion later on.

**One more definition is that term stock incorporates the accompanying classes of things ;**

#### **1. Production inventories:**

Crude materials, parts and segments which enter the association's item in the creation procedure. These may comprises of two general sorts

- a) Special things made to organization detail.
- b) Standards mechanical things bought "off the self".

## **2. MRO stock:**

Upkeep, fix and working supplies which are devoured in the creation procedure yet Which don't become portions of item.

## **3. In – Process Inventories**

Semi – completed items found a different stages in the creation activity.

## **4. Finished Goods Inventories**

Finished items prepared for shipment

### **1.3 OBJECTIVES OF THE INVENTORIES**

Inventories is as old as man. The primate recommends stock incorporates a couple of contraptions; as a shepherd, man expected to tend his runs and social occasions; later, he had his storerooms and scattering center; today, with industrialization, his needs and exercises have extended, the degree of stock has expanded and dynamically overhauled.

Starting today inventories incorporates, among others, crude materials, part completed merchandise, completed products and working supplies, every one of these fill explicit need.

Coming up next are the destinations of stock administration

- a) To offices smooth activity of the assembling procedure.
- b) To limit interest in stock.
- c) To decrease the material dealing with standings.
- d) Reasonable use of individuals Inventories are held to offices item show and administrations to client

## **1.4 FACTORS INFLUENCING IN INVENTORY CAPITAL:**

### **1) Types of products:**

Among the factors influencing stock organization and control, the sorts of thing is focal. If the things have a high unit regard when purchased, an a great deal closer control is generally all together. Jewel authorities are generously more careful about their gracefully of valuable stones than they are with show cases overflowing with low-assessed customer precious stone setter. This identical standard holds in amassing in addition.

### **2) Type of assembling:**

Close to kind of item, sort of item, sort of production likewise impact stock administration and control. Where nonstop assembling is utilized the rate creation is of significant significance and in all actuality controls the creation of the item. It is a significant offense with respect to stock faculty to have the plant closed down for the absence of material. Intermitted produce, then again, licenses more prominent adaptability in the control of materials.

### **3) Volume:**

The volume of thing to be made as tended to by the pace of creation may have little effect on the unpredictability of the stock issue. As a matter of fact a noteworthy number of brasses based for lights bulbs are made each month including the control of only two standard things of upsetting materials stock.

### **4) The different components are:**

The capability of staff faculty who will be answerable for dealing with the framework on a proceeding with premise. The goals of organization as they identified with inventories and the degree of administrations to be give to clients.

## **1.5 BENEFITS OF INVENTORY CONTROL:**

Suitable organization and control of inventories will achieve the going with favorable circumstances to an affiliation

- 1) Inventories control guarantee an acceptable deftly of material, stores, etc limits stock outs and stores, and keeps up a system
- 2) It holds down interest in interest in inventories, stock conveying costs and obsolesce loses to least.

- 3) It encourages buying financial matters through the estimation of necessity based on recorded understanding.
- 4) It dispenses with duplication in requesting or in renewing stock by unifying the source from which buy order dispose of.
- 5) It allows a superior usage of accessible stock by bringing together the sources from which buy order Wipes out
- 6) It gives a superior usage of accessible stock by help entomb office move with an organization.
- 7) It offices cost tallying exercises by giving a way to apportioning material expenses to things, workplaces or Other Working records.
- 8) It enables the heads to make costs and use connection among assignments and periods.

## **1.6 NATURES OF INVENTORY MANAGEMENT**

Inventories are loads of organizations fabricating accessible to be bought and parts that beautifying agents the thing.

The different from in which inventories exists in assembling organization are;

### **Crude materials:**

Crude materials are those reason inputs that are changed over into completed things through the collecting system. Unrefined materials adventures are those units which have been purchased and taken care of for future creation.

### **Work In Progress:**

Work in progress inventories are semi completed things. They address things that need more work before they become finished things accessible to be bought.

### **Completed products:**

Inventories are those completely manufactured things which are readily accessible to be bought heaps of rough material and work in manifestations, while flexibility of finished product is required for smooth promoting movement

### **Support fix and working supplies:**

The forward sort of stock supplies is likewise kept up by firms, supplies incorporate office and plant clearing material, oil, fuel, and the preferences,

### **Stock expense:**

The objectives of stock administration is to give, at the most reduced cost, the stock administration is to recognize all the costs associated with buying and looking after inventories.

### **Maintenance repair and operating supplies:**

The forth kind of inventory supplies is also maintained by firms, supplies include office and plant clearing material, oil, fuel, and the likes,

Stock expense:

### **Stock expenses :**

The objectives of stock administration is to give, at the least cost, the stock administration is to recognize all the costs engaged with buying and looking after inventories.

## **1.7 PROCESS OF INVENTORY MANAGEMENT:**

As referenced before, stock administration and control alludes to the getting ready for ideal characteristics of materials every single ideal nature of material at all phases in the creation cycle and advancing procedures which would guarantee the accessibility arranged inventories.

Four stages engaged with process, viz;

- 1) Determination of ideal stock level and strategies of their survey and alteration.
- 2) Arranging and structure of the stock control system.



3) Arranging of the stock control affiliation.

## **1.8 COMMON CHARACTERISTICS OF THE INVENTORIES:**

- \* Inventory reacts a budgetary venture for the organization
  
- Inventories turns out to be important for the expense of merchandise sold and are accordingly a costs of doing business.
  
- Inventories utilized extra room, require taking care of cause charge, require protection and in some cases decay, gotten outdated or get lost or took
  
- \* The accessibility of the perfect thing at the perfect time is essential for working any creation cycle or fulfills an interest by a client for a completed item. All the benefit situated association convey stock with there attributes.

## **1.9 PLANING AND PLAN OF THE INVENTORY SYSTEM:**

A stock framework gives the genuine structure and the stirring plans for keeping up and controlling to be stacked

The framework is liable for requesting and receipt of products, timing the addressing of such inquiries as; has the merchant gotten the request? Has it been sent? Are the things right? Are the methodology set up for recording or returning bothersome product.

## **THERE ARE TWO APPROACHES TO INVENTORY SYSTEM:**

- \* Fixed request quality framework.
- \* The fixed request intermittent framework

(Different known as intermittent framework, the occasional audit framework, and the fixed request inward framework)

### **1) Fixed request amount framework.**

In this a fixed amount of material is requested at whatever point the stock close by arrives at the request focuses. The fixed amount of material arranged each time is only the monetary request amount (EOQ). At the point when the new transfer shows up, the all out stock (existing in addition to fresh debut) will be with in the most extreme and as far as possible.

Focal points of fixed request amount framework :

Money material can be acquired in the most financial amount.

Buying and stock control individual consequently dedicate consideration regarding the things that are required just when required.

Positive control can without much of a stretch to apply to keep up all out stock venture at the ideal level essentially by controlling the arranged greatest and least qualities.

## **2) Fixed request occasional framework.**

In this stock situation of every thing of material is consistently evaluated when the stock degree of a given things isn't adequate to continued the creation activity until the following booked survey, a request is put renewing the gracefully. The recurrence of surveys different from firm to firm. It additionally different among materials with in a similar firm, contingent on the significance of he material, explicit creation plans, economic situations, etc, request amounts like shrewd shift for various materials.

### **Focal points of Periodic Review System:**

- a) The arrangements will in like manner in the wake of appealing cutoff points as arrangements are guaranteed.
- b) The structure works will for materials which appraisals show an erratic or infrequent usage and who's purchased must be masterminded early dependent on bargains measures.
- c) The mentioning and stock costs are low.

## **1.10 INVENTORY CONTROL TECHNIQUES**

Stock control strategies are utilized by the stock control association with in the casing work of the premise stock models, viz, fixed request amount framework or fixed request period framework. Stock control procedures speak to the operational parts of stock administration and control

The Techniques should regularly utilized as the accompanying

- 1) Continuously better control (ABC) demand.
- 2) High, medium and low (HML) demand.

- 
- 3) Fundamental, critical, and designable (VED) request
  - 4) Scare, inconvenient and easy to get (SED) .
  - 5) Fast moving, sluggish and fixed (FSN) .
  - 6) Season – off infrequent (S-OS) request .
  - 7) XYZ Analysis for finished product stock.
  - 8) Government, standard close by and outside (GOLF) supplies.
  - 9) Financial Order Quantity (EOQ).
  - 10) MAX-Minimum framework .
  - 11) Material required organizing.
  - 12) Two Bin systems
  - 13) Just In Time.

Strategies 1 to 13 are popularly known as selective control techniques.

#### 1.11 INVENTORY Catalog:

It additionally called stock index, stock list is a pre-prerequisite for effective activity of stock of ordinary firm organizations 10000 to 50000 unique things. Information on every thing and the completed result of which each is a section is essential for utilizing any techniques of stock control. Stock list is set up after all stock things have been portrayed, ordered and stacked. Appropriately kept up stock registry delivers two significant profits.

A stock inventory administrations:

- 1) As a mechanism of correspondence.
- 2) It gathers to have stock control activity staff.

#### ABC ANALYSIS :

This is the one of the all around utilized procedure to perceive different things of stock different things of stock with a definitive goal of stock control. In different words it is productive and steady gadgets for depicting monitoring control inventories. The firm should keep same degree of control on all the things of stock. It relies on praetor's law. It is normally called unequivocal stock control. The aggravation most extraordinary control on those things whose cash related characteristics are ordinarily called express stock control. The firm should put most remarkable control on those things whose cash related worth is the most essential, with the relationship of the other two things. The methodology bases on gigantic things and it is in any case called control by enormity and forbiddance (CIE). Normally a firm needs to keep up such inventories, for appropriate control of them firm, firm should need to plan inventories in the event of their value. Hence it is all things considered called relating worth Analysis (PVA). The higher worth things are masterminded A things and would be under close control. At the mentioning end of the social gathering we find class on such a stock we can't deal with the expense of expenses of determined controls, covering referring to the devastating, by virtue of the low worth or low wholes around there. There with the C things we many kept up some what higher prospering stocks, demand significantly more important stretches of deftly, excepted lower levels of costumer's administrations, or all the three. B things fall in a things and C things requires reasonable thought of the board.

As indicated by this methods the errand of stock administration is legitimate arrangement of all stock things in to three cl The perfect arrangement of stock things is appeared in following table

Classification	No Of items%	Items values%
A	15	70
B	30	20
C	55	10

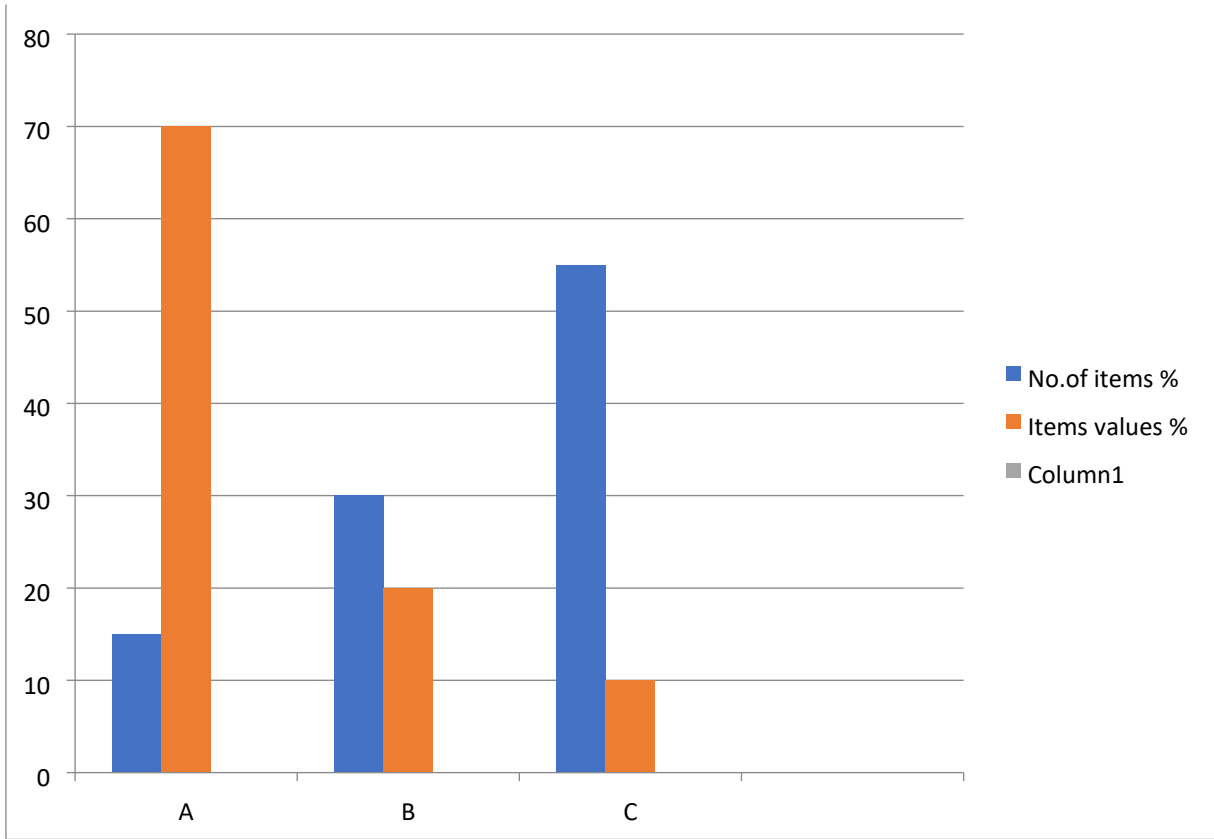
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TOTAL

100

100

The above table shows that solitary 15 percent of the things may represent the things may represent 70 percent of the complete worth ( A classification things) on which more noteworthy consideration is required, where as 55 percent of things may represent 100 percent of the all out estimation of stock ( C classification things ) will be given a reasonless consideration, the staying 30 percent of stock record of 20 percent of all out estimation of stock worth lies between the two different categori.es. The above information can be appeared by the accompanying figure.



In the above figure 1.3 number of things (%) are appeared on X hub and estimations of things (%) are spoken to on Y axis.

More prominent consideration will be paid on classification. A things in light of the fact that more prominent advantages. The control of C things might be discharged because of less advantages (some control expenses may surpass advantages of control) and sensible consideration ought to be given on sensible consideration ought to be paid on classification B things

The accompanying method is recommended for building up an ABC examination:

- 1) List everything passed on in stock by number of some other assignment.
- 2) Determine the yearly volume of utilization and rupee assessment of everything.
- 3) Compute everything level of outright inventory in term of yearly in rupees.
- 4) Multiply everything yearly assessment of utilization by its rupee regard.
- 5) Select the primary 10 percent of everything which have the accompanying most raised rupees rate and relegate them A things.
- 6) Select the accompanying 20 percent of the apparent multitude of things with the accompanying most raised rupees rate and allocate B things.
- 7) The next 70 percent of everything with the most negligible rupees are C things

---

## **HML CLASSIFICATION :**

The high medium and low gathering follows a comparable strategy as is grasped in ABC request.

The things of stock should be recorded in dropping solicitation of unit worth and it is unto the organization beyond what many would consider possible for example, the organization may presume that Rs.200 or more will be things Rs.1000 to 2000 M things under Rs.1000L things.

The HML appraisal is significant for keeping control overconsumption at office levels for depicting rehash of physical insistence and for picking rehash of physical check and for controlling purchases.

## **VED CLASSIFICATION:**

While in ABC request are assembled dependent on their usage regard and in term examination unit regards is the reason, criticality is the explanation behind objective, principal and alluring plan. The VED request is done to choose the in a general sense of a things and its effect on creation and various organizations. It is remarkably used for course of action of additional parts. It a part is essential it is given V gathering.

If it is head, by then it is given E depiction and in the event that it not all that basic the part is given strategy. For V things a monstrous deftly of stock is a colossal stack of stock is ordinarily kept up, while for D things least stock in enough.

## **FSN ANALYSIS:**

FSN speaks to brisk moving and fixed. Here plan relies upon the case of issues from stores. Moreover, is valuable in controlling old nature. To do FSN assessment. The date of receipt or the last date of issues whichever is later, is taken to pick the measure of months.

Which have capes since the last trade. The things are commonly assembled in the midst of a year. Can be thought of.

## **S-OS ANALYSIS:**

S-OS Analysis relies upon arrangements wherein S speaks to intermittent things and OS speaks to the off – infrequent things. The gathering things is done with off intermittent things is done with the objections of choosing fitting securing systems in such a way their segment material during the having seasons so they get the best quality in reasonable expense.



## **SED CLASSIFICATION:**

The SED examination is based upon the openness of things and is uncommonly significant concerning deficiency of effortlessness. In this examination it suggests meager things overall improved those which are rare D implies problematic things which are open indigenously yet are irksome things to gain. The which need to shape eliminated spots or for which strong suppliers are difficult to take a few to get back some composure of, fall into D class. E suggests things which are open in the local business sectors. The SED request subject to issues glanced in acquisition is urgent to lead time assessment and procurement is fundamental to lead time analysis and in picking purchasing techniques .

## **XYZ ANALYSIS:**

This is also one type and is based on the value of inventory stores. If the value are high special efforts should be made to reduce them. This exercise can be done once a year. X items are those whose inventory value are high while Z is those whose inventory values are low. This type of classification helps to identify those items which are extensively stock

## **Financial ORDER QUALITY:**

Financial request quality alludes to that degree of stock at which the expense of stock is least. The all out stock expense including requesting and carrying cost. Lack costs are executed in including all out expenses of stock because of the trouble in calculation of deficiency cost. EOQ otherwise called Economic Lot Size.

---

## Suppositions of EOQ Models:

The going with assumption that are derived in the assessment of EOQ;

- 1) Interest for the thing is driven and uniform all through the period.
- 2) Lead (time from referencing to receipt) is reliable.
- 3) Value period unit of is reliable.
- 4) Stock holding costs depends upon standard stock.
- 5) Ordering expenses are consistent and
- 6) All enthusiasm for the thing will be satisfied. (no IOUs are allowed)

EOQ condition;

EOQ can be gained by getting two procedures;

- A) Experimentation approach and
- B) Shortage cut or essential logical formula. Here for figuring of EOQ we have gotten direct exchange way strategy.

The equation is  $EOQ = 2AO/CC$

## 1.12 INVENTORY VALUATION

Numerous strategies for materials costing and stock valuation has come into use among the more typical procedures for costing materials and valuinf inventories are;

### **First in First out Method (FIFO)**

Here the soonest increased stock is believed to be used first. The stock is believed to be used first. The stock which is bought which is bought first is given first. As it were the guideline is that the materials are given in a specific order and at the explanation that the materials are changed into creation at real expense in the request for receipt. The end inventories are esteemed at the latest costs. On the off chance that the end stock equalization included. This technique accept that the request where materials are gotten in the stores is the request wherein material are given from the stores. Consequently the materials which is given initially is given initially is estimated based on the expense of material got most punctual.

---

## **The advantage of this strategy is**

- The pricing of materials is perhaps consists with the practice of issuing oldest materials first followed in many manufacturing organization.
- The value of materials in stock is fairly close to current cost.

The inconveniences of this strategy are:

- 1) Issued of materials at various costs confounds stores bookkeeping.
- 2) Comparison of employment costs becomes various costs for similar materials.
- 3) In a time of rising costs, the change to creation is low. This will in general expand announced profile; increments charges consumed and push profit as a consequenc the firm is sapped monetarily.

## **At the end in first out methodology (LIFO).**

This method is something in opposition to the FIFO system. It expect that the material which is increased last is given first. Accordingly materials gave are assessed on the reason dependent on the cost continuous purchase.

## **The favorable circumstances related with this strategy is**

- The cost of creation mirrors the present expense of material better.
- In a time of rising costs, announced benefits are discouraged, profits are kept low and working capital is moderated.

The impediments of this strategy are:

- The issue of material at various at various costs muddles store account.
- Pricing of materials isn't steady with the ordinarily followed practice of giving the most peculiar material first.
- Comparison of occupation costs becomes troublesome when comparable employments might be changed for a similar material at various cost.

## **Weighted normal cost technique**

Under this technique gave are evaluated at the weighted normal expense of materials in stock (The loads being relative to amounts). To get an unto date loads normal costs figures, another weighted normal expenses is determined every time a conveyance is gotten.

Benefits of weighted normal cost strategy.

- \* It prompts smooth out value fluctuation.
- \* It gives a genuinely satisfactory figure to stock worth.
- \* The restriction of this technique might be monotony engaged with figuring the weighted normal cost each time another conveyance is acquired.

**Standard price(cost) methodology:**

Under this methodology a standard expense is pre-chosen when material are purchased the stock record is accused of the standard expense. The various between the veritable expense and standard expense is passed on to a vacillation account. Material gave is changes as per the standard expense.

Favorable circumstances of this technique are:

- \* All material issues estimated indistinguishably. The chance of occupations utilizing a similar material being accused of various costs, an issues with the FIFO or LIFO technique doesn't exists.
- \* Stock bookkeeping is decently intensified. There is no requirement for explicit value owing to explicit issues of materials.

The weakness of this technique :

- \* Determining the standard cost might be some what troublesome, especially when costs will in general increment fairly capricious are characters by wide fluctation.
- \* This issues of how fluctuation ought to be warmed might be prickly.

**Current cost method :**

As indicated by this strategy issues are valued at their substitution or feasible cost at the hour of issue.

The benefits are:

- \* It uncovers the effectiveness of purchasing.
- \* Tenders dependent on creation costs which reflects current cost might be progressively sensible.

**Current value technique :**

As per this technique issues are evaluated at their substitution or feasible cost at the hour of issue.

**The merits are:**

- \* It discloses the efficiency of buying.
- \* Tenders based on production costs which reflects current price may be more realistic.

### **STRAIGHTFORWARD AVERAGE METHOD**

Under this strategy, material issues are esteemed at normal cost. It is determined by partitioning the absolute cost of the materials in the stock, from which the material to be valued could drawn by the quantity of costs utilized in that complete. The issue cost is resolved as follows:

$$\frac{\text{Issues price} = \text{unit price of material in stock}}{\text{Number of purchase}}$$

This method work well there is little variation in the purchase prices. The simple average is particularly.

### **Useful the following circumstances of simple average method in**

#### **The advantages of simple average method ;**

- \* It is easy to calculate the price at which the issues are to be made.
- \* A specific buy at a sequential rate doesn't upset the cost generally in light of the fact that the specific distinction in the cost is found the middle value of out.
- \* Simplicity is the greatest advantages of this method.

#### **Disadvantages of simple average method ;**

- \* Material cost does not represent actual cost price.
- \* when price, considerably, this method will give very incorrect result.

#### **Budgetary control system :**

Through budgets inventory consumption and levels is co-ordination with the expected usage. The inventory budget is a dynamic planning control that accomplished the same general purpose as the controls for planning cash position and debtors, the inventory budget is plan for investing funds in stock at regular intervals via crude materials purchases, merchandise in measure of manufacturing and

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completed merchandise. The budget is also plan for releasing guns from inventories to liquid assets through sales.

### **1.13 INVENTORY COSTS :**

**Stock cost cash. The cost factor must be thought of while taking any choice with respect to inventories. Stock expense incorporates requesting cost, carrying cost, unavailable or deficiency cost, and limit cost. Each of these involves a few components as demonstrated as follows.**

#### **I. Requesting costs**

##### **A. Costs of submitting a request with a seller of materials:**

- a. Setting up a buy request.**
- b. Handling installments.**
- c. Accepting and exploring the material.**

##### **B. Requesting from the plant:**

- a. Machine set-up**
  - b. Start – scrap created from kicking a creation run off.**
- #### **II. Conveying costs**

##### **A. Expenses related authentically with materials;**

- a) Oldness.**
- b) Disintegration.**
- c) Pilferage.**

##### **B. Money related expenses**

- a) Taxes.**
- b) Insurance.**
- c) Storage.**
- d) Interest (as the expense of capital of capital).**
- e) Borrowed to gain and kept up the inventories)**

### **3. Cost running inventories**

- 
- a. loss of sales.
  - b. loss of customer goodwill.

#### **1.14 MANAGEMENT OF INVENTORY:**

Inventories, estimated by rupee esteem constitute the significant component in the working capital of numerous business undertaking control of inventories which in assembling concern incorporate crude materials and supplies, goods is often the most problem in the management of capital .The problem of managing inventories in manufacturing enterprise is relatively complex. Once they are understood the basic concept can be applied to inventory problem in commercial and trading concern.

**The region of stock administration covers the accompanying individual stages;**

- a. Deciding the size of stock to conveyed.
- b. Establishing timing timetable and systems and part size of new request.
- c. Ascertaining least wellbeing levels.
- d. Co-organizing sales, production and stock arrangements.
- e. Arranging the receipt.
- f. Procurement of materials.
- G. Developing the types of recording these exchanges.
- h. Aligning the reports for caring out the stock control capacities.

Consequently many inventory decision are made by person with in the purchasing and production department. The financial executive is only one of the people in top management concerned with the levels and functions of investment in inventories. Production executives who are concerned with keeping the production operation go on smoothly at minimum cost and sale personnel who are concerned with inventory management practice and policies.

#### **1.15 FINANCIAL MANAGERS ROLE IN INVENTORY MANAGEMENT**

For a dominant part of organizations, the stock speak to a significant speculation. The stock program is essential for arranging spending which regularly falls inside the money related territory. As the executives turns out to be progressively mindful of the need of stock control extreme obligation is set increasingly more in the hand of the budgetary administrator who is assuming an inexorably significant function in deciding the idea of control practiced the techniques for adjusting the relative cost included and estimation of execution of stock control. He might be having supervisory expert here or he might be individual from strategy advisory group with wide duties. In littler firm, he regularly takes an interest significantly more straightforwardly in the administration of inventories.

#### **1.16 GOOD INVENTORY MANAGEMENT IS GOOD FINANCIAL MANAGEMENT:**

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The more noteworthy the open door cost of store put resources into stock the more prominent the motivating force to diminish the lead time required getting stock once is put. The more prominent the proficiency with which the firm deals with its stock, the lower the necessary interest in stock.

**The budgetary office should focus on the accompanying perspectives in stock administration;**

\* Action takes against irregularity of crude materials and merchandise in measure stock that may restrict the utility of stock that things which is in most limited gracefully. Here one welcome the normal saying that the quality of its most vulnerable connection.

\* The full security against deficiency of stock has a restrictive expense. There should, anyway be sensible acquisition lead time presumption and wellbeing block level.

\* Special estimating strategy might be needed to move very sluggish completed things.



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**CHAPTER -2**  
**RESEARCH DESIGN**

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## **Part II**

### **EXAMINATION DESIGN**

#### **2.1 TITLE OF THE STUDY:-**

" An examination on Inventory management “ At **B.L.K Lifestyle** ltd .

#### **2.2 LITERATURE REVIEW:**

##### **Creator: 1 Bern at de William year 2008:**

This assessment tells that the fundamental purpose of intermingling of stock association is on transportation and warehousing. The choice taken by the board relies on the standard technique for stock control models. The normal framework for stock association is how much strong in nowadays the producer tell about it. He is besides saying that the standard strategy is positively not a cost decreasing, it is so much extravagant. Regardless, the dealing with the stock is most colossal work for any social event unit.

##### **Creator: 2 Wolf Bag by, overseeing stock:**

In this examination Mr. W. Pack by explains that by managing the stock it gets less complex for the relationship to meet the advantage targets, shorter the cash cycle, avoid stock, and improve profit by reducing cash change and get JIT system. As demonstrated by this examination associations need to get splendid about stock.

Boosting cash related execution is another preferred position that starts from better stock organization. Pollute tremendous number of manufactures acknowledge venture assets and better execution by picking the technique of stock diminishing. For this association needs to support the salary and advantage and this spared a cautious watching eye for charge in nimbly and demand.

##### **Creator: 3 Asfaque Ahmed October 12, 2004:**

He said that a tremendous piece of the social occasion affiliation trader have engineering and orchestrating thing which expect either immense creation limit as for figuring proportions of foul material and WIP materials for finding creation limit. There are different issues with this technique and how to keep up a crucial decent ways from these by ensuring that the thing you are purchasing unquestionably considers limited proportions of required materials also as confined limitations of work focuses in your social affair working environments.

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**Creator: 4 D. Hoopman April 7, 2003(Article from stock orchestrating and upgrade) :**

In this article he said that stock upgrade see that differing industry have particular stock profiles and requirements. Investigation has exhibited that plans are assessed in a gigantic range from an enormous number of dollars to a large number of dollars. In this claim to fame market division cost is unquestionably not a marker of the idea of course of action, ROI and comfort are fundamental.

**Writer: 5 Silver, Edward An (Article from creation and stock administration diary).**

This article considers the setting of an all inclusive community of things for which the suspicion crucial the EOQ confirmation hold sensibly well. At any rate as is regularly the money in rehearses there is an outright limitation that applies to everybody taking everything into account. Two standard sorts of imperatives are:

- ❖ The presence of monetary arrangement to be designated among the heaps of the things.
- ❖ A purchasing creation office having the ability to quantify everything considered a particular number of recharging each year. Because of the basic the individual restoration attributes can't be picked openly.

**Creator: 6 Charles Atkinson (An investigation on stock administration):**

In this assessment by Mr. Charles Atkinson, he explained the stock organization and examination of stock levels. As per this assessment stock organization need to address two issue:

**Section 1:** The most effective method to propel ordinary stock levels.

**Section 2:** The most effective method to overview (Evaluate) stock levels.

This investigation tells about what the director ought to do and not to do, and how much sum ought to be structure in one set requests. Normal stock can be determined by shortsighted technique.

Normal stock = Beginning stock + end stock/2

**Creator: 7 Dr. Rakesh kumar (2016):**

He said that stock resources of the firm and they portray a speculation. Such venture needs a dedication of assets along these lines a firm needs to keep inventories at the exact level. On the off chance that the stocks are excessively huge, the firm loses the opportunity to utilize the assets all the more effectively. In like manner, in the event that they become excessively little, the firm may lose deals. Hence, there is an ideal degree of inventories. The financial requesting quality is utilized to figure the ideal quality that can be secured to diminish the conveying and requesting costs.

**Creator: 8 Serhii Z (2015):**

As demonstrated by this paper inventories incorporates unrefined materials, work in progress and completely completed items that are in to be associated with the organization's preferences that are in position or would be in position accessible to be bought.

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**Creator: 9 Sachin Agarwal (2014):**

As demonstrated by maker stock includes the furthest essential bit of adventures. It is fundamental to direct inventories profitably to avoid the expenses of fluctuating creation rates, pointless cost of arrangements and IOU results during seasons of zenith and blazing interest. The model gives the ideal plan in shut structure which assists with pondering the introduction of the stock system.

**Creator: 10 Panigrahi (2013):**

He embraced a top to bottom investigation of stock administration rehearses followed by Indian concrete organizations and its effect on working capital productivity. The examination likewise researches the connection among productivity and stock transformation days. The examination utilizing an example of the best five concrete organizations of India over a time of 10 years from 2001 to 2010, reasoned that an impressive backwards direct relationship existed between stock transformation period and productivity.

**2.3 STATEMENT OF THE PROBLEM:-**

**“Effectiveness of inventory management and its performance towards productivity in an organisation”**

How can an organisation manage an inventory effectively in order to achieve the cost reduction, productivity and quality of the product.

The reason will be conducted to:

1. Understand the effectiveness of inventory management at an organisation.
2. To know the role of inventory expects in an organisation.

**2.4 OBJECTIVES OF THE STUDY:-**

1. To contemplate the stock management as it expects in **B L K Life style LTD.**
2. To study the effectiveness of inventory management indication by analysing the data conducting ratio analysis. Inventory performance indication by analysing the data using tables, graph, ratio and statistic.
3. To know the level of scientific inventory management.
4. To know the various methods of systems of inventory available.
5. To know various constrains towards implementation of effective inventory management and
6. To offer proposal for improving the effectiveness in stock administration.

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## 2.5 SCOPE OF THE STUDY:-

The field of stock administration is tremendous. The investigation was kept to one association that is BLK LIFE STYLE LIMITED Bangalore. The examination was directed at the Bangalore complex investigation was finished with in the accessible information.

Within the available source, and also within the period during which the study was conducted it is not possible to go detail regarding all the aspects of inventory management.

## 2.6 RESEARCH METHODOLOGY:-

- a) **Type of research:** A combination of both theoretical and primary data collection through direct interaction with the inventory managers and the employees.
- b) **Sample design:** the sample design is made with specific objective of collecting data performing inventory management and all the areas are covered under the topic.

## 2.7 SOURCES OF DATA:-

**There are two wellspring of information assortment. They are as follow**

- a) Primary information.
- b) Secondary information.

The data will be gathered from both essential and optional source

### a) PRIMARY DATA :-

Essential information are those which are gathered a new and just because and this happens to be unique in character. In this investigation, the essential information was gathered by an immediate meeting with the officials identified with the stock at the organization.

### b) SECONDARY DATA:-

The research requires collection of data from secondary source such as

- Referring to books, newspapers, journals and magazines.
- By the journals of the company.
- Collecting information from the website.
- Collecting data from product profile.
- Collecting information from the financial statement.

## 2.8 SAMPLING DESIGN:

sample designed is process of obtaining information by direct interview with the inventory managers to collect the primary data. For the purpose of collecting secondary data various books will be referred. The data will also be collected through news papers, journals and magazines and company journals. It also requires the collection of the data through website.

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## **2.9 PLAN OF ANALYSIS:**

The data collected will be analysed with the help of following tools

(i) Tables

(ii) Graphs

Apart from these, graphs, various mathematical and statistical tools and techniques will be used for analysis. From the proposed study, findings and implementations as well as an arriving at a conclusion will be interpreted. The suggestion are also drawn from these data.

## **2.10 Limitations of the study:**

1.The study is restricted to inventory management taking place in BLK Lifestyle Limited, Bangalore

2.The study has to be completed within a short span of time

3.Due to time constraints the facts and figures could not be considered. Only a few were take into account

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**CHAPTER-3**  
**COMPANY PROFILE**

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## **Chapter III**

### **Company profile**

# **B L K LIFESTYLE LTD.**

B – 1 Extension/E - 23, MOHAN CO-OPERATIVE INDUSTRIAL ESTATE,

MATHURA ROAD,

NEW DELHI 1104.

Telephone : 011 4050 0300

Fax : 011 40500333



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## MANUFACTURE, INTRTIORS & ALLIED SERIVCES

### 3.1 B.L.K. LIFESTYLE LTD.

Founded in 1978, B L Kashyap & sons is one of India's driving, most regarded development and framework organizations with a skillet India presence. Keeping in line with its vision of organic growth, BLK is one of the fastest growing companies in India today.

BLK Lifestyle Ltd. is a wholly owned subsidiary of B L Kashyap & sons Ltd. following a pattern of integrated growth with the parent company, we at BLK Lifestyle provide complete interior solutions. Our expertise lies in corporate fit-outs and the manufacture of related interior products.

### 3.2SERVICES & PRODUCTS

Fit- outs encompass flooring work, ceiling work, partitions and panelling work, fixed woodwork and finishing work. BLK Lifestyle has an already establishing name in the area of interior fit-outs. Our prestigious project list which influences IFFCO, PVR Multiplex, cadence software, The Taj hotel, The Oberois and many others is a testament to our assurance of quality and individuality.

Adding value to this interior business is the recent launch of related interior products. Our product line includes:

**OPUS CLASSIC DOORS**- the line of doors includes skin doors, Flush doors and panel doors to give you an aura of luxury.

**ORIANA KITCHENS** – the sinfully stylish kitchens are available in a wide range of wood types, colours, finishes and embellishments.

**RHAPSODY FLOORS**- the natures finest floors, Rhapsody, are hardwoods floors and come in a wide selection of wood species, colours and widths.

**VIEWSCAPE UPVC WINDOWS** - The smart window systems are bring manufactured in technical collaboration with REHAU of Germany.

Our product line, given our success in construction and interior work, adds to our abilities and ensures timely execution of quality job.

### 3.3 MANAGEMENT & VISION

The anatomy of a building is just open space. Interiors give a distributive ambience to the framework to reflect the personality of the company or the individual, as the case maybe. BLK Lifestyle understands this need for flexibility and envision the individual needs of its clients. Thus, we at BLK Lifestyle aim at the timely delivery of global quality products to transform your dream spaces into a magical reality! In doing so, BLK Lifestyle is headed and managed by owners of BLK group company Management Includes

**Mr. Vinod Kashyap- Director.**

**Mr. Vineet Kashyap- Director.**

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**Mr. Vikram Kashyap- Director.**

**Mr. Arun Kashyap – Director.**

**Mr. Nitin Sondhi – Director.**

### **3.4 QUALITY:**

Quality is the key driven for BLK the group company as a whole. It is this strict adherence to ensuring quality in our work that sets us apart from the rest.

In each fit-out work special attention is paid to understanding the individual client needs. From the time of discernment of the thought to the time of its actualisation at the site, there is perfect synchronization of quality material, excellent workmanship and constant detailed supervision. We take immense pride in all our works completed as they all represent superior quality and an excellent eye for detail and finishing.

Our manufactured products further reinforce our belief in quality. Each product is manufactured in our state-of-art machines and all products conform to the highest international standards of quality.

### **3.5 INFRASTRUCTURE**

Quality interior solutions are assured in BLK Lifestyle owing its pool of skilled manpower coupled with its huge infrastructure of workshops and machinery to cater to its interior needs.

Each workshop is fully automated and designed to ensure minimization of time with maximization of output and quality. All our machines have been imported from Germany and Italy to bring international quality right up to your doorstep.

Our workshops dedicated to our woodwork products are situated in:

DLF (Faridabad)

Matiala (Delhi)

Nalagarh (Himachal Pradesh)

Our workshops dedicated to the UPVC products are situated in :

Pune

Bangalore

Bhiwadi

### **3.6 LIST OF SOME MAJOR EQUIPMENTS / MACHINERY**

Our wood work machines are listed as under

S.NO.	NAME OF MACHINE
1.	Automatic Beam Saw
2.	Through Feed Edge Banging Machine
3.	Multi-boring Machine
4.	CNC Router
5.	Membrane press (Master From Press)
6.	Wide – Belt Sander- Twin Head
7.	Four side planer moulder1.
8.	Single End Tenonner
9.	Optimization cross cut saw
10.	Roller Cross Cut Saw
11.	Staining Line
12.	Roller Coater UV Line
13.	Wide Belt Standing machine – single head
14.	Wide Belt Standing machine
15.	Air assisted Spring gun
16.	Airless Spring gun
17.	Multi 4 Day Light Press
18.	Spindle Moulder
19.	Post forming Machine
20.	Dove Tail Machine
21.	Panel Saw
22.	Thermic Fluid Heater
23.	Compressors

- 
- |     |                       |
|-----|-----------------------|
| 24. | Sanding Station       |
| 25. | Seasoning Plant       |
| 26. | Dust Collection Units |
| 27. | Spray Booths          |
| 28. | Drying Oven           |
| 29. | Packaging Machines    |

Our UPVC machine are listed as under

<b>S.NO</b>	<b>Name of Machine</b>
1.	Double Head Cutting off Machine
2.	Automatic Vee Cut Saw
3.	Water slot route
4.	Copy route and triple drill
5.	Glazing bead saw .
6.	CNC weld cleaning machine
7.	Twin Head welder
8.	Steel Saw
9.	Welding block supports and glazing bead supports

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### **3.7 SAFETY:**

Safety is an inherent feature of all work procedures. From the factor to the work site, our commitment to safety is unquestionable. At every site there are standards to ensure that hazardous environments are kept under control. We also give assurance of compliance with all the legal and statutory requirements. The Factories Act 1948 and any other Acts, and some other work/site wellbeing rules are conformed to consistently and all representatives add to making the Company work regions as protected as could be expected under the circumstances.

### **3.8 INTERIOR PARTITIONING, FISHING AND FURNISHING WORKS COMPLETED:**

Specialty Cardiac Centre (Hospital) at Mohali, Punjab Rs. 975 Lacs

Facility (office & Industrial Building) for M/s Allied Signal (I) Pvt .

Ltd. at Gurgaon, Haryana Rs. 300 Lacs

M/s PVR Anupam Cine – plex, New Delhi Rs. 240 Lacs

M/s Escorts Ltd., Corporate Office, Faridabad Rs. 200 Lacs.

M/s Interglobe Travel Agency, Gurgaon Rs. 200 Lacs

M/s Mckinsey & Co., New Delhi Rs. 180 Lacs

M/s Xerox India Ltd., Gurgaon Rs. 160 Lacs

M/s Cadence Software, Noida Rs. 150 Lacs

Interior works for M/s HPS Software, Bangalore Rs. 150 Lacs

Nestle House for M/s Nestle India Ltd., Gurgaon Rs 135 Lacs

M/s SSI (Aithent Technologies), Gurgaon Rs.110 Lacs

M/s Eicher Motors Export Division, New Delhi Rs. 100 Lacs

Office Building of Escorts Yamaha Motors Ltd., Surajpur Rs.100 Lacs

Office Building for Carraro India Ltd., Pune, Maharashtra Rs.100 Lacs

Oberoi Bhubaneshwar, Bhubaneshwar Rs.80 Lacs

Taj Hotel, Jodhpur Rs.80 Lacs

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Corporate Office for Bhilwara Group at Noida Rs.60 Lacs

Jaipur Golden Hospital at Rohini, New Delhi Rs.60 Lacs

M/s e- Funds, Gurgaon Rs.50 lacs

M/s Hughes Software Systems, Gurgaon Rs. 50 Lacs

Hotel Claridges, New Delhi Rs. 50 lacs

M/s Tality India alatd., Noida Rs. 45 Lacs

M/s Hughes Escorts Communication Ltd., Gurgaon Rs. 40 Lacs

Addition To Interior For The Oberoi Hotel, New Delhi Rs. 40 Lacs

Marketing Office for M/s GESCO, New Delhi Rs. 10 Lacs

Office of M/s Goetze India Ltd., New Delhi Rs. 650 Lacs

Ltd. at Gurgaon, Haryana Rs. 300 Lacs

M/s PVR Anupam Cine – plex, New Delhi Rs. 240 Lacs

M/s Escorts Ltd., Corporate Office, Faridabad Rs. 200 Lacs.

M/s Interglobe Travel Agency, Gurgaon Rs. 200 Lacs

M/s Mckinsey & Co., New Delhi Rs. 180 Lacs

M/s Xerox India Ltd., Gurgaon Rs. 160 Lacs

M/s Cadence Software, Noida Rs. 150 Lacs

Interior works for M/s HPS Software, Bangalore Rs. 150 Lacs

Nestle House for M/s Nestle India Ltd., Gurgaon Rs 135 Lacs

M/s SSI (Aithent Technologies), Gurgaon Rs.110 Lacs

M/s Eicher Motors Export Division, New Delhi Rs. 100 Lacs

Office Building of Escorts Yamaha Motors Ltd., Surajpur Rs.100 Lacs

Office Building for Carraro India Ltd., Pune, Maharashtra Rs.100 Lacs

Oberoi Bhubaneshwar, Bhubaneshwar Rs.80 Lacs

Taj Hotel, Jodhpur Rs.80 Lacs

Corporate Office for Bhilwara Group at Noida Rs.60 Lacs

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Jaipur Golden Hospital at Rohini, New Delhi Rs.60 Lacs

M/s e- Funds, Gurgaon Rs.50 lacs

M/s Hughes Software Systems, Gurgaon Rs. 50 Lacs

Hotel Claridges, New Delhi Rs. 50 lacs

M/s Tality India alatd., Noida Rs. 45 Lacs

M/s Hughes Escorts Communication Ltd., Gurgaon Rs. 40 Lacs

Addition To Interior For The Oberoi Hotel, New Delhi Rs. 40 Lacs

Marketing Office for M/s GESCO, New Delhi Rs. 10 Lacs

Office of M/s Goetze India Ltd., New Delhi Rs. 650 Lacs

Corporate Office for M/s IFFCO, New Delhi Rs. 790 lacs

Office for M/s Mind Tree, Global Village, Bangalore Rs. 50 Lacs

Interior for Fidelity Investment, Bangalore Rs.109 Lacs

Interior for M/s Goldman Sachs, Bangalore Rs. 107 Lacs

Office for M/s Customer, New Delhi Rs. 190 Lacs

Office for M/s Continental Engines, Gurgaon Rs.70 Lacs

Office for M/s Freescale Semiconductor Ltd., Noida Rs. 286 Lacs

Office Facility for M/s Tata Teleservices Ltd., New Delhi Rs. 235 Lacs

Office of M/s Idea Cellular Ltd., New Delhi Rs. 156 Lacs

Office for Mr. Anil D. Ambani, New Delhi Rs. 70 Lacs

Marketing Office for M/s Maruti Udyog Pune Rs. 65 Lacs

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## **3.9 COMPANY POLICIES FOR SAFETY**

### **B.L.K LIFESTYLE LTD.**

B.L.K. Way of life Ltd. is a rumored organization in India, is occupied with office fitouts, Loose outfitting works, common development works and other partnered administration with related gear's and pro contracting help.

We are resolved to attempt to have the best wellbeing record and to continue overhauling it every year.

It is an order when must be upper most in our brains while doing our everyday business and can not be designated at all levels have a specific significant job in keeping up norms in perspectives on the risky workplace under their influence.

The Boards of Directors of BLK view legitimate administration of wellbeing as a necessary piece of business

exercises and require the organization to:

- Produce and actualize a definite arrangement which will guarantee that security matters are given legitimate through

Take all sensibly down to earth measures to guarantee the security and government assistance at work of representatives and other people who might be influenced by our exercises, and to consent to all legal necessity and code of practic

### **3.10 ESSENTIAL STRUCTURE OF SAFETY:**

The organization guarantees that all sensible and pragmatic measures are taken to take care of the security and government assistance of every one of it's representatives, the overall population and whatever other people who might be unfavorably influenced by the organization's development exercises.

It is simply the obligation of all representatives to make themselves acquainted with and submit to the organization's arrangement, to acknowledge and complete their duty practicable, that all work is done in a protected way.

All representatives have obligations under the strategy and must guarantee that all legitimate and legal necessities are clung to all occasions.

The organization does numerous tasks where security must be a prime thought and where the full fulfillment of legitimate prerequisite may not really be adequate. As needs be, the individuals who approve work to be done whenever must guarantee that all parts of wellbeing are considered while planning their guidelines.

While the organization acknowledge it's prime duty regarding guaranteeing the wellbeing and government assistance of it's representatives, it is normal that all workers acknowledge their obligations where they are required to.



- Take sensible consideration for their own wellbeing and that of other people who might be influenced by their demonstrations of

oversights.

- Co-work with the executives and some other individual to empower the organization to full fill its lawful commitments.
- Not to intrude with or misuse anything gave considering an authentic worry for prosperity, security or government help.

The assembling plants Act 1948 and some other Act application to thought adventures, any rules made sure about by these Acts, and some other work/site prosperity rules must be consented to at unrivaled and all delegates must add to making the association work zones as shielded as could be normal considering the present situation.

The organization will give the vital asset to guarantee the execution of the wellbeing strategy and will give full sponsorship to each one of those focused on accomplishing the approach destinations.

### 3.11 ORGANISATIONAL CHART BLK Lifestyle Ltd

Mr. NAVEEL SINGLA

(DIRECTOR)

MR. Pradeep Kr. Pandey

(Regional Head)

Mr. Satya Prakash  
(Finance & Accounts)

Mr. Sanjeev  
(works Manager)

Mr. GT Prakash  
(Admin)

Mr. Rakesh Kumar  
(store &

Mr . Amaranth

shop supervisors

Technician

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### 3.12 BLK LIFESTYLE LIMITED

#### NEW DELHI

##### Details of Orders In Hand

<u>Name of Projects</u>	<u>Order Amount</u>
Puravankara Projects Limited, Bangalore	Rs. 14.50 crore
G Corp Projects Limited, Bangalore	Rs. 2.70 crore
Max Medical Service Limited, New Delhi	Rs. 3.60 crore
Balaji Medical & Daignostic Research Center, New Delhi	Rs. 8.00 crore
Bennett Coleman & Co. Ltd., Nodia	Rs. 9.25 crore
Soul Space Projects Ltd., Mayfair, Mohali	Rs. 1.50 crore
Orbit Resorts Pvt. Ltd., Gurgaon	Rs.2.54 crore
Oriental south Delhi Hotels Pvt. Ltd., Gurgaon	Rs. 9.45 crore
Mahindra Lifespace Developers Ltd., Faridabad	Rs. 0.30 crore
B L Kashyap & sons Ltd., Bhatinda	Rs. 8.50 crore
<b>Total</b>	<b>Rs. 60.00 crore</b>

### 3.13 PRODUCTION DEPARTMENT

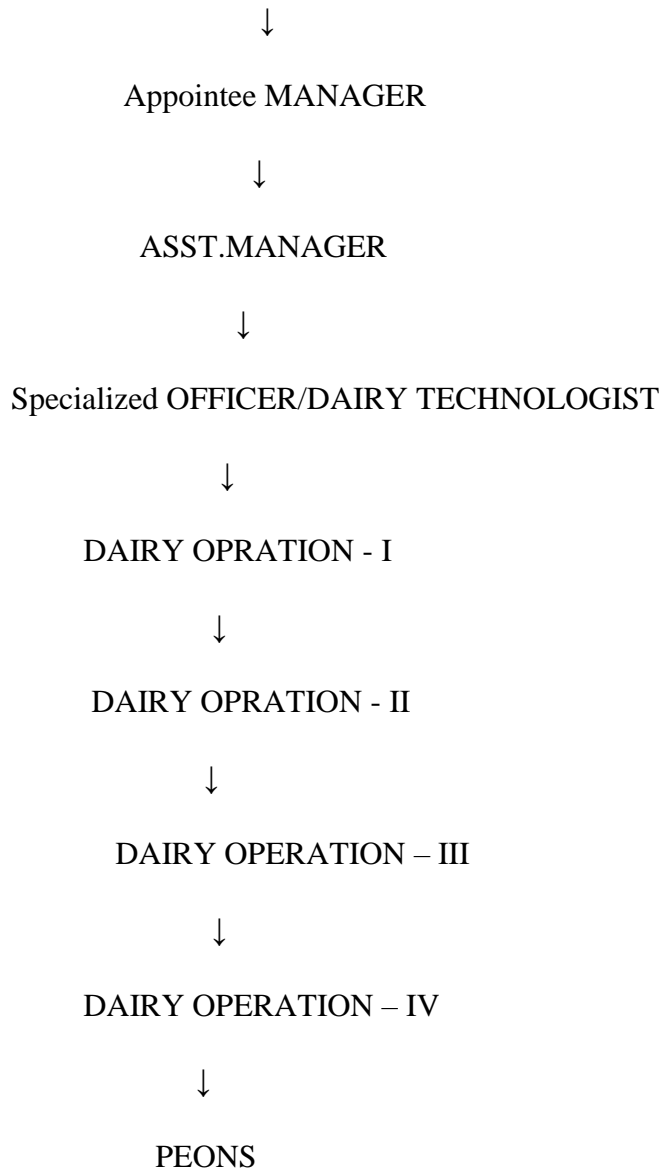
Overseeing DIRECTOR



Senior supervisor



Administrator (PRD)



### **3.14 CREATION DEPARTMENT**

The creation branch of the Kolar journal plays out the capacity of creating systems to change a lot of info components like crude material like upvc, cash, machine into indicated yield like windows, entryways, sliding windows, kitchen sets And ward robes and so on in doled out quality and best so as to accomplish the organisational gaols effectively. Creation office is the most significant and the biggest division in the association. The extent of the division is to design, execute and control all creation. The extent of the office is ton plan, execute and control all creation exercises with accessible asset contribution to co-appointment with the other depar. The Production administrator heads the creation office. The creation chief screens the exercises of this division with help of representative supervisor, Asst. chief and specialized officials

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### **3.15 OBJECTIVES:**

Pre plans the production activities soon after receiving the intends of quality demanded.

- \* Execute, co-ordinate, sort out and screen the creation exercises.
- \* Increase the yield beyond what many would consider possible.
- \* Decrease the expense of creation and wastage in the creation procedure however much as could be expected.
- \* Ensure procedure, control and nature of the items fabricate

### **3.16 INVENTORY MANAGEMENT CONCEPT IN BLK LIFETYSTYLE LIMITED**

Production is a process of converting raw materials or purchased components in to finished products for sale. Even a simple product such a bangle has to go through various phases before it takes up its shape. In general the various phases through which a product goes through which a product goes through are:

- Marketing survey
- Design
- Planning
- Inventory control
- Production
- Quality control
- Packing
- Marketing

The importance of inventory can be felt when we understand the entire production process. The first step is the market survey and an estimation of the demand which is done by the corporate office and which is intern communicated to the production centre. The target seats for a product are then broken down with respect to time and sub components. This is done by planning department. This communicated to the various department, industrial engineering, production shops, finance, HRD etc. The yearly production targets is broken is down to monthly and daily targets, equipment wise by the production control department in inventory department based on the production department's requirement makes a detailed analysis with respect to the material requirement, the ordering time, store capacity, etc. As and when the material is required, the production control department and carries on production work. Then the product goes through quality checks and finally it is ready to be marketed. Since the inventory department is control is exercised right from the beginning to the end, at every stage, we can say that inventory control is exercised right from when the planning break down (PBD) chart is prepared. In the Bangalore complex, for better co- ordination, material planning and purchase are merged and its activities are activities are integrated with the stores function to from

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### **3.17 CENTRAL EXCISE:**

The function and responsibility of each branches are enumerated in the succeeding chapters. The various branches of stores department are treated as separate responsibility centers for their functions under the administrative control of chief stores, however it shall be ensured that movement handling of the incoming consignments and are kept at the minimum to minimize cost without scarifying the controls.

### **3.18 PURCHASE DEPARTMENT:**

The buy and store office assumes a fundamental job in the associations like BLK LIFESTYLE, where the center capacity is creation. This area essentially manages the acquisition of LPDSE films, ghee films, creased boxes, containers, sugar, nitric corrosive, apparatus and parts, vehicles save parts, writing material things, oil and oils and so forth., expect UPVC. When the buy things show up at the association premises, it is taken consideration by stores area. At that point sends the materials to the particular areas according to the prerequisites.

### **2.19 PURCHASE PROCEDURES:**

Archive Required: Indent alongside the note endorsed by Managing Director.

- 1) Enquiry will be made with the enlisted produces, bargains/wholesalers/providers and so forth.
- 2) Preparing similar explanation of the offers got
- 3) Sample quality checking any place test acquired
- 4) Rate Analysis
- 5) lacing before the purchase warning gathering for decision, and a short time later getting underwriting of the Managing Chief depending on the game plans
- 6) Placing buy orders/work orders
- 7) Quality checking after receipt of material

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- 8) Acceptance
  - 9) Payment according to terms and condition

### **3.20 INVENTORY MANAGEMENT AND CONTROL OF PRODUCTION MATERIALS:**

Store area goes about as collector and holder of bought products. Typically, it buys the materials based on buy request gave by the buy area. The buy request fundamentally contains: materials required, nature of material, and the division necessitating that material. During crisis buys, separate offices can buy the materials, with the endorsement of M.D. At that point, it comes to cardex (stock record) and receptacle cards for effective stock upkeep.

Putting away of required materials is a significant capacity. The Kolar dairy has 4 stores every one of them keeping up specific materials as it were. The 2 unique stores are as per the following:

- \* Store I: Maintenance of machines and additional items .
- \* Store II: Maintenance of pressing meds, pocket films, container boxes,
  - Caustic pop, gunny packs, meds utilized for representatives, and so forth.,
  - This stores is otherwise called consumable stores.
- \* Stores III: Support of transport or vehicles related materials.
- \* Stores IV: Support of oil and oils.
- \* Stores V: Procurement and Input stores.

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The stores department comprises of different branches of different branches are given below:

- UPVC receiving division
- Holding stores
- Tools stores and tools cribs
- Rejected stores
- Dispatching section
- Salvage stores
- Stock control

### **3.21 FUNCTIONS OF THE STORES DEPARTMENT:**

- \* Make appropriate course of action to hold the merchandise in an ideal condition till they are required by any of the clients segment.
- \* Maintain, an exceptional stock record.
- \* Bring to the notification of the lower measure of supply of any sort in the stores.
- \* Maintain with the normal sections in order to make the bookkeeping simple.

### **3.22 FUNCTIONS OF THE ADMINISTRATIVE DEPARTMENT:**

The fundamental capacity is the regulatory division are worried about dealing with issues like:

- Representative's interest.
- Approval of enlargements.

- 
- Advancements.
  - Move.
  - Disciplinary activity against misconduct of workers.
  - Termination and retirement.
  - To follow the strategies and standards laid somewhere around the top administration.
  - Recruitment and execution evaluation and so forth.,

### **3.23 DUTIES AND RESPONSIBILITIES OF OFFICERS**

#### **SENIOR MANAGER: (stores)**

Organizing, directing and controlling and controlling the functions of stores activities of receiving, processing delivery and holding stores, salvage disposal, rejected and shipping stores, central excise activities, inventory stores computer terminals etc overall stores division head for the integrated functions of the stores department.

#### **MANAGERS (stores)**

Responsible for receipt of goods, processing, storage maintenance. Assists the inventory senior manager in review of various stores activities for keeping the inventory to the barest minimum monitoring tool crib activities. Attend various meeting sort out any problems connected with the stores activities. To keep close check on stock control functions.



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### **ASSISTANCE MANAGER (receiving)**

Responsible for receipt of material with proper identification, generation of receiving reports liaison with purchase department, process and offer for inspection movement of accepted materials to respective holding stores and finalization of receiving reports. Movement of rejected materials to rejected stores.

### **ASSISTANCE MANAGER: (holding stores)**

Responsible for accounting of all accepted into the various holding stores. Preservation issues. Ensure proper care of materials to avoid deterioration of materials with the special care for shelf life items ensure the safety and security of items.

### **ASSISTANCE MANAGER: (central exercise)**

Responsible for all central excise activities and documentation, responsible for settlement of claim on carriers/insurance. Organise scrap disposals and activities connected there with.

### **STORE OFFICER (receiving)**

Responsible for carrying out various functions related to their respective area of work and assist their offers for smooth functions.

### **TECHNICAL MANAGER:**

He is responsible for maintaining the best and higher level techniques for producing the product by the lower cost and good quality. He is also maintains the new and modern machineries to produce the products by fast.

### **HOLDING STORES:**

- a) Acceptance of all incoming materials passed by inspection and taking them on charge after accounting of receipts.
- b) Proper storage/preservation and maintenance.
- c) Insurance of materials against authorist document and proper recording of all issues.
- d) Maintaining up-to-date records of all transactions concerning both issues and payments. e) Period physical verification materials.

The above function are exercised by a setup of project

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Stores and non-project stores.

Project stores deals with items like bought out components,

Raw materials, packaging items in our works for direct use in production.

### **3.24 INVENTORY CONTROL OR STOCK CONTROL:**

The stock control exercise checks over material issues by pre-co ording the materials requisition for the following purposes:

- To avoid excess withdrawals by the users department.
- To know the stock level against each co-ordination for issues to take procurement action.
- To know the causes of excess demand.
- To raise timely supplementary material purchase requires when the stock level come to down.

### **3.25 CENTRAL EXECISE:**

Store department excise group shall comply with the rules and regulations of central excise department as amended from time to time and maintain appropriate registers/documents and submit the same to excise authorities for verification as called for in various applicable to BLK. Central excise activity is also one of the functions of stores department. The central excise work connected with stores department contributes to the revenue of the company dairy by way of a railing of MODVAT credit or benefit under the MODAVAT scheme. (Modified value added tax) which is now called under central excise rules as CENVAT ( Central value added tax) credit rules, 2018

### **3.26 INVENTORY CONTROL AND NON-PRODUCTION ITEMS:**

The level of stock of all non-production items at a given point of items is maintained by stock control section, which is attracted to the stores department for initiating procurement action whenever necessary.

### **3.27 STANDERD STOCK ITEMS**

For standers stock items which have regular consumption, stock levels in the form of minimum, re-order and minimum levels are fixed based on the previous 2 years consumption.

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**The normal levels are**

Minimum level ----- 1 months consumption.

Re-order level ----- 2 months consumption.

Maximum level ----- 3 months consumption.

Order quantity ----- 10 months consumption

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**CHAPTER - 4**  
**ANALYSIS AND INTERPRITATION**

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## Chapter- IV

### ANALYSIS AND INTERPRETATION

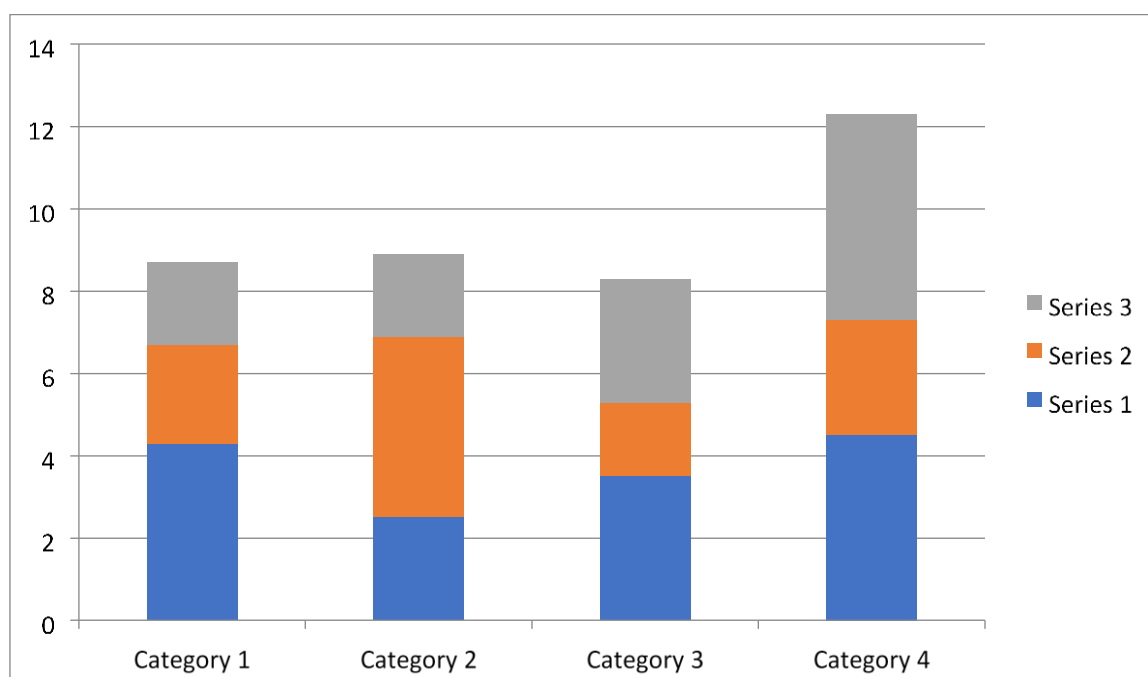
#### 4.1 SIZE OF INVENTORY:

The position of inventory and its percentage growth over the previous years for the company as a whole. A minute study in terms of progressive base years percentage growth however indicates that pace of growth of the total inventory.

#### 4.1:- Table showing progressive base years percentage growth of inventory during 2017-2020.

	Total inventory	growth of the Total inventory
2017	6778804	0%
2018	37818452	5.57%
2019	56074162	8.6%
2020	79848832	11.7%

The total summarizes the growth of “total” inventory during 2018-2021.



## INTERPRITATION.

The year 2017 in inventory was taken as the base year and it was taken as 0 comparing to the base year 2018 there was a growth 5.7% and it was decline in the year 2019 to 8.6% and in the year 2020 it was increased to 11.7%. Hence we can say that there is no constant level in maintenance of inventory level is changing from year to year.

## 4.2 STOCK TO WORKING CAPITAL RATIO.

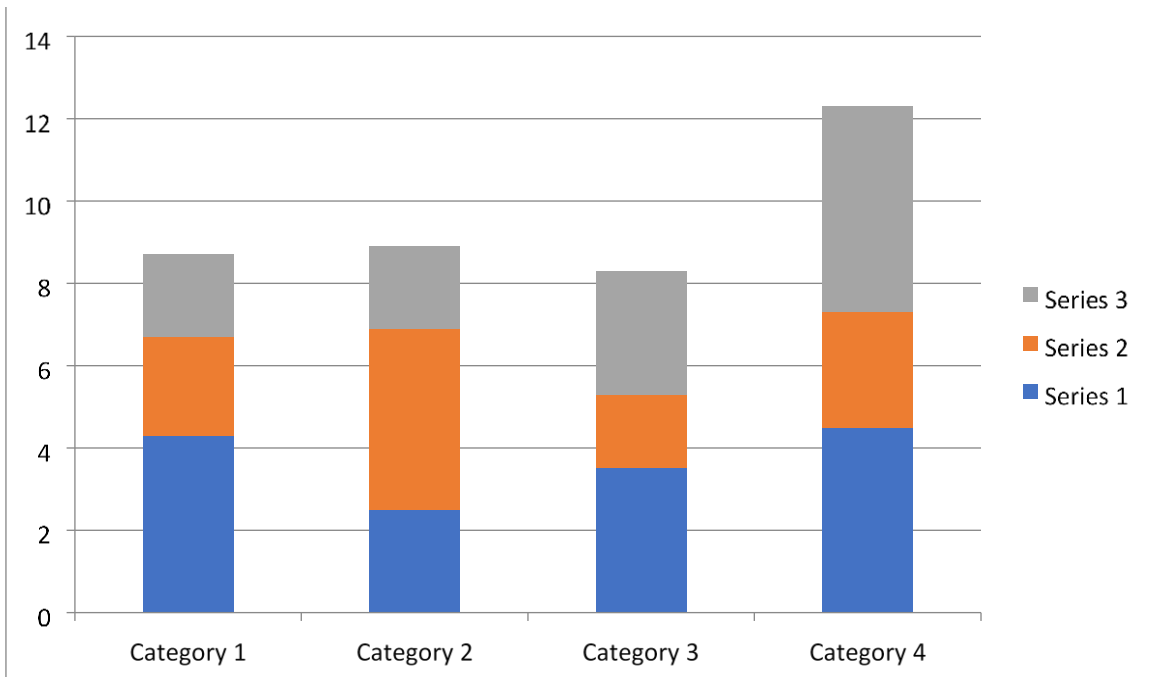
Stock to working capital is liquidity extent which helps with assessing the transient dissolvability of an association. This extent shows the degree of working capital tied up in inventories. It moreover helps with checking whether there is over stacking or under stocking.

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#### 4.2 Table showing the inventory to working capital for a period of 2017-2020.

	INVENTORY	WORKING CAPITAL	PERCENTAGE
2017	6778804	1572815	430.9%
2018	37818452	31295343	120.8%
2019	56074162	54637260	100%
2020	79848832	78916419	100%

The above table shows that how much level of working capital is secured up inventories. According to the norm or ideal stock to working capital proportion, the inventories ought not assimilate over 75% of working capital



## INTERPRITATION.

In the year 2017 there is high over stocking that is 430.9%. In the 2018 stocking is 120.8%. In the 2019 the stocking is 100% and 100% in the 2020. Hence by seeing the ratio there is over stocking and from three year it is gradually started to reduce.

## 4.3 INVENTORY TURNOVER RATIO.

Stock turnover extent or stock turnover extent which shows number of times the stock is turned over (sold) during a year. As such it is a proportion among deals and normal stock.

This is one of the most important indicates of the inventory performance as it indicates the number of the return of working capital employed. A slow turnover results in over interest in stock and quick turnover adds to a higher working capital.

$$\text{Average inventory} = \frac{\text{Opening stock} + \text{closing stock}}{2}$$



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**Table showing the inventory ratio for a period of 2017- 2020**

<b>YEAR</b>	<b>SALES</b>	<b>AVERAGE INTRODUCTION</b>	<b>TURNOVER TIMES</b>
2017	5021940	3389402	1.48
2018	24702764	18909226	1.3
2019	83654301	28037081	2.9
2020	94846787	39924416	2.3

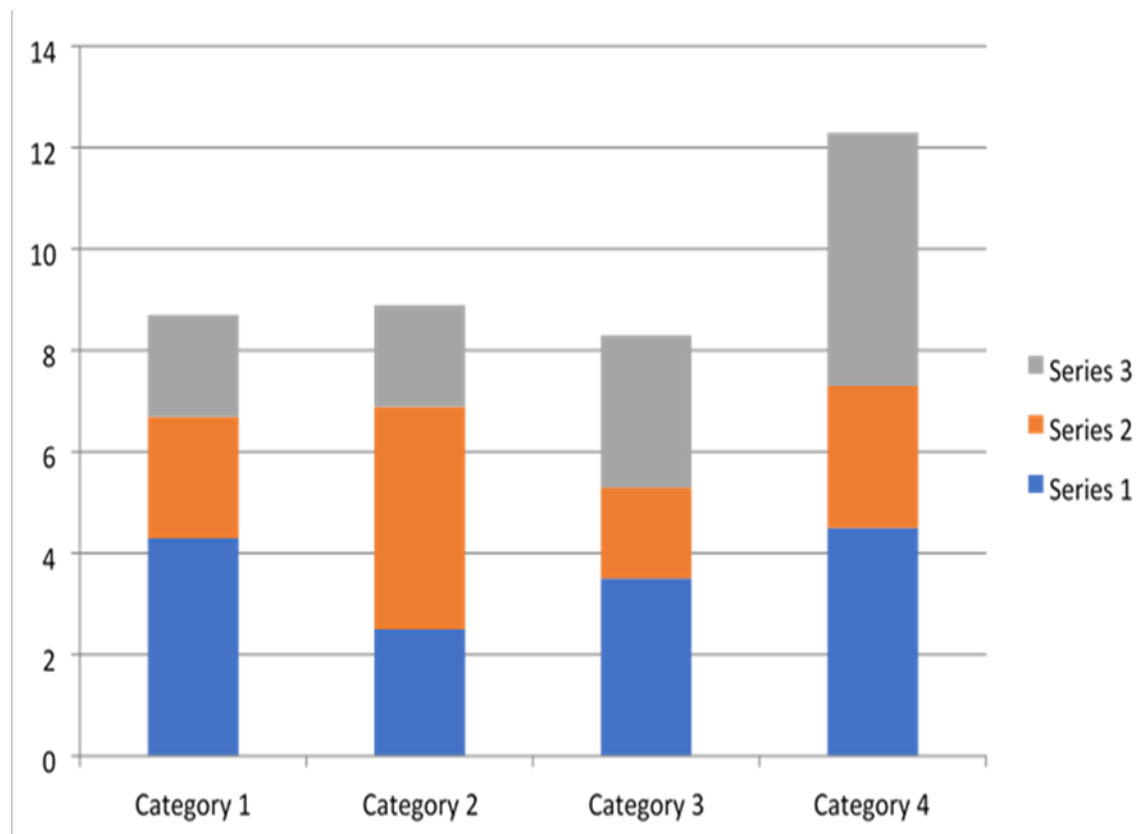
## **INTERPRITATION**

The turnover in inventory turnover ratio is in the year 2017 is 1.48, in the year 2018 inventory turnover turn over ratio is decreased to 1.3%, and in the year 2019 it was increased to 2.9%, in the year 2020 it was decreased to 2.3%. Hence there is increased in the inventory ratio.

## **4.4 RELATIONSHIP CURRENT ASSET.**

This proportion shows the level of stock in current resources. This is a general investigation or a wide examination what measure of stock is secured up in the current resource is considered.

#### 4.4 Table showing the percentage of inventory in current assets.



#### INTERPRITATION

In 2017 the percentage of inventory in current assets was 31.7% but in 2018 there was increased to 49.6%.

In the 2019 it was slight decreased to 47.1% and in the year 2020 it was increased to 47.2%.

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**CHAPTER-V**  
**FINDING, SUGGESTIONS**

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## 5.1 FINDINGS:

1. The entire department in the company in the company is computerized.
2. Product arranging is done dependent on hand acquired from various clients. The item prerequisite Plan is processed is to give exact requirements of material to be produced.
- 3 . Sellers are connected dependent on there execution regarding conveyance, a quality value standard.
4. The got item are investigated according to standard arrangement is done items are on 100% premise no Item is delivered is taken care of appropriately.
5. Physical confirmation of high worth items in holding store is led as per Foreordained software engineers
6. The scrap acquired in the process is nearly exceptionally low.
7. In the BLK Lifestyle most of the respondents are 18-45majority of despondent are graduates.
8. All the products are stored in right condition at respective location.
9. The production layout may be changed to cellular manufacturing concept. That is raw products fed in one end and received in another end step is automatic and mechanized

## 5.2 SUGGESTIONS

- \*Technical review ought to be made on crude item, stores to see that it isn't over loaded or under supplied.  
There ought to be co-appointment between creation cycle and stock dealing with office for proficient result.
- \*It ought to likewise attempt to utilize different logical controls, for example, without a moment to spare.
- \*The organization ought to follow EOQ to decrease over stocking item, buy at relative costs , to  
Decrease the expense of item.

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\*The working capital ought to be decreased with the goal that deals and value of creation can be increments.

\*Inventory as a level of current resources ought to be decreased.

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**CHAPTER-6**  
**CONCLUSION**

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## CONCLUSION

Inventory management is one of the basic function of every business in any manufacturing organization should have more current assets invested in inventories company which does not have inventory management system will face more problems so that there should be efficient stock of inventory in a organization inventory management has to maintain a records of finished goods which are ready for shipment the company can reduce the cost inventory and can improve its profits in inventory.

The issue of stock control is one of the most significant in authoritative administration generally speaking there isn't standard arrangement the condition at each organization or firm are extraordinary and incorporate a wide range of highlights and constraints

BLK Lifestyle Limited. It is a private sector unit. It is a big organization it can go further diversification with some reference in burocracy and it can go to the new project through increasing long term funds.

The BLK Lifestyle Ltd mainly manufacture of (Unplastisize poly vinyl chloride window and doors and interior kitchens and wardrobes.

BLK accepts that the corporate planes, defined in light of its uneasiness for foundational long range arranging, will fill in as an essential and dynamic, which will manual for BLK in the years that lie ahead.

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