

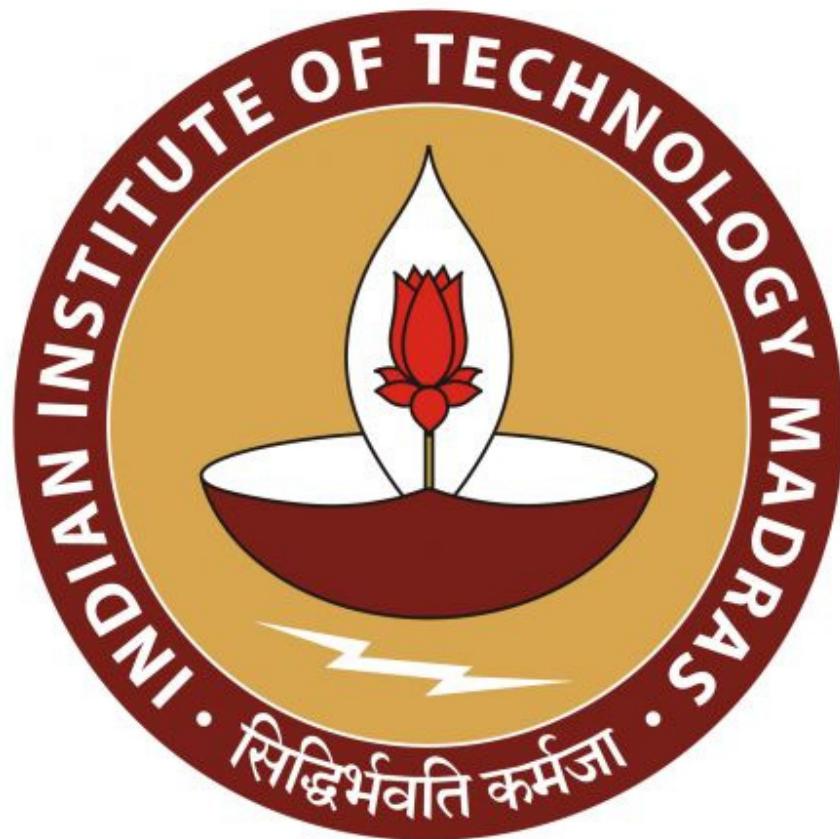
Inventory, Purchase & Sale Analysis of Clothing Factory

A mid term proposal report for the BDM capstone Project

Submitted by

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Executive Summary and Title :

The capstone project is aimed to solve the problem of Anmol Paridhan Lamba Hari Singh a B2B Factory which produces around 150+ varieties of unstitched clothes for both mens and womens. The factory is situated in Malpura,Kekri, Rajasthan. During the course of the project we'll help him understand the purchase and sale including the inventory management of the factory and the small shop they have in our locality.

The midterm report submitted encompasses various facets. It validates the authenticity of collected data, provides insights into the business background, presents problem statements and objectives, elucidates data sources and metadata, and furnishes descriptive statistics. The analytical process undertaken is detailed, and significant findings are highlighted. Additionally, the report outlines the envisioned path forward. While the report extensively covers purchase , sales and inventory analysis, the sections involving Ratio analysis and stock summary.

The primary focus of this report is to analyze the sales, purchase and inventory trends and suggest the most suitable suggestions. The final submission will consist of the holistic analysis and understanding of the Anmol Paridhan Lamba Hari Singh performance and capacity and suggest some recommendations based on the results and findings.

Background of the organization :

“Anmol Paridhan Lamba Hari Singh “ is the organization that I chose which is a more than 20 yr old factory manufacturing unstitched fabric for both men and women. They have over 150+ varieties of unstitched fabric. They have the main factory in Kekri,Rajasthan.

The owner of the factory Mr. Ramawtar Sharma ,also owns one of the sari (‘Saari - Womens clothing) shops in our locality, Kishangarh,Ajmer, Rajasthan the shop is around 30yr old. He started his journey with a small saree shop and later saved to open his own factory

Problem Statement :

1.How can we enhance the procurement of thread used for unstitched fabric production and optimize fabric supply for our factory, considering seasonal and geographic variations to maximize purchase rates?

2.How can we improve inventory management for our extensive product range to reduce unsold inventory effectively?

3.How can I assist the sari store in establishing a more competitive position in the market against rivals?

Problem Objective :

- 1.**Sales Trend Analysis:** Examining the information will enable us to comprehend sales in the upcoming months more clearly.
- 2.**Purchase Trend Analysis:** By integrating our analysed data with sales data, we can have a better knowledge of the profit and loss. Our analysis of the data will also help us understand the purchase pattern.
- 3.**Inventory management:** By comprehending inventory data, we can enhance industrial operations and provide optimal results.
- 4.**Ratio Analysis :** Gain a profound understanding of the factory's context and status, facilitating the development of well-suited strategies and recommendations.

Metadata

Sales Register					
1-Apr-2022 to 8-Nov-2022					
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
01-04-2022	1 Cash	Sales	001	34965.00	
02-04-2022	1 Cash	Sales	002	22778.00	
06-04-2022	1 Cash	Sales	003	10500.00	
08-04-2022	1 Cash	Sales	004	19163.00	
10-04-2022	1 Cash	Sales	005	31500.00	
11-04-2022	1 Cash	Sales	006	22575.00	
15-04-2022	1 Cash	Sales	007	11813.00	
15-04-2022	1 Cash	Sales	008	21210.00	
15-04-2022	1 Cash	Sales	009	4830.00	
15-04-2022	1 Cash	Sales	010	10238.00	
15-04-2022	1 Cash	Sales	011	20213.00	

Sales Date:

- 1.Voucher Number
- 2.Debit amount
- 3.Date
- 4.Voucher Type
5. Particulars

Purchase Data :

- 1.Voucher Number
- 2.Credit amount
- 3.Date
- 4.Voucher Type
5. Particulars

Purchase Register					
1-Apr-2022 to 8-Nov-2022					
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
01-04-2022	J.P. Enterprises Pali- Marwar	Purchase	8		23639.00
02-04-2022	Mehta Jivraj Ramesh Kumar Pali	Purchase	Gst/0005		17354.00
06-04-2022	Shri Salasar Collection Sarwar	Purchase	460		17002.00
08-04-2022	Shri Salasar Collection Sarwar	Purchase	461		27802.00
10-04-2022	Shri Salasar Collection Sarwar	Purchase	463		33337.00
11-04-2022	Shri Salasar Collection Sarwar	Purchase	464		30431.00
15-04-2022	Hare Krishna Fabrics Surat	Purchase	505		17358.00
15-04-2022	Hare Krishna Fabrics Surat	Purchase	507		14847.00
15-04-2022	VAIBHAV LAXMI CREATION SURAT	Purchase	G/143		8798.00
15-04-2022	Neha Enterprise Surat	Purchase	198		18656.00

Particulars: Factory from which raw material is being purchased

Stock Summary												
1-Apr-22 to 8-Nov-22												
Particulars	Anmol Paridhan Lamba Hari Singh											
	1-Apr-22 to 8-Nov-22											
	Opening Balance			Inwards			Outwards			Closing Balance		
	Quantity	Rate	Value	Quantity	Rate	Value	Quantity	Rate	Value	Quantity	Rate	Value
11 Kg French Roll Beleano												
2/18												
2343												
38/40/42												
3D 13020												
5000 Velvet Work												
5208				2906.50 PCS.	67.96	197515.50	2906.50 PCS.	79.04	229722.00			
5210				305.00 MTRS.	26.80	8175.00	305.00 MTRS.	34.67	10575.00			
5407	1922.73 MTRS.	70.35	135265.82	47485.93 MTRS.	50.60	2403002.13	43971.53 MTRS.	56.88	2500900.18	5437.13 MTRS.	51.37	279321.30
5408	54.19 MTRS.	28954.55	1569047.06	519.75 MTRS.	155.62	80885.25	519.75 MTRS.	178.80	92933.75	54.19 MTRS.	2874.75	155782.54

Stock Summary :

1. Particulars
2. Quantity
3. Value
4. Rate

Particulars: Item Name

Value : Current Value of the Item

Value = Quantity x Rate

Profit & Loss A/c			
1-Apr-22 to 8-Nov-22			
		Anmol Paridhan Lamba Hari	
Particulars	1-Apr-22 to 8-Nov-22	Particulars	1-Apr-22 to 8-Nov-22
Opening Stock	3218607.22	Sales Accounts	5148835.85
✓ 5407	135265.82	Gst Sales	5148835.85
✓ 5408	1569047.06	Closing Stock	2570946.65
✓ 5515		✓ 5407	279321.30
✓ 6301		✓ 5408	155782.54
Akira		✓ 5515	18118.98
B.P. Choli	16225.00	✓ 6301	35973.11
Bullet	15105.00	Akira	6916.62
Butter Fly	6936.00	B.P. Choli	16225.00
Butty L-100	2100.00	Bullet	15105.00
Cabrio Top 3 Kg		Butter Fly	6936.00
Cabrio Top 60 Ml		Butty L-100	2100.00
Ch-17065	1800.00	Cabrio Top 3 Kg	38472.00
Ch-17560	2160.00	Cabrio Top 60 Ml	50880.00
Ch-17590	1170.00	Ch-17065	1800.00
Chatak Matak Laheriyo	51920.00	Ch-17560	2160.00
Chunary Bhandej	4270.83	Ch-17590	1170.00

Profit and Loss statement :

1. Voucher Name
2. Opening Stock
3. Closing Stock

Opening Stock : It is the stock(Number of items in the inventory in the start of the month)

Closing Stock : It is the stock(Number of items in the inventory at the end of the month)

Descriptive Stats

- 1. Opening Stock and Closing Stock from April 1 to November 8, 2022:** The beginning of the accounting period recorded an opening stock value of 3,218,607.22 INR. This represents the total value of goods and materials on hand at the start of the period. As of November 8, 2022, the closing stock was valued at 2,570,946.65 INR. This figure signifies the total worth of remaining goods and materials at the end of the accounting period.
- 2. Net Loss Incurred from April 1 to November 8, 2022:** Over the duration from April 1 to November 8, 2022, the company experienced a net loss of 791,602.30 INR. This loss accounts for the difference between total expenses and total revenues during this period.
- 3. Net Purchases Made from April 1 to November 8, 2022:** The company's procurement activities during this period amounted to 5,535,518.00 INR. This represents the total value of goods and materials acquired.

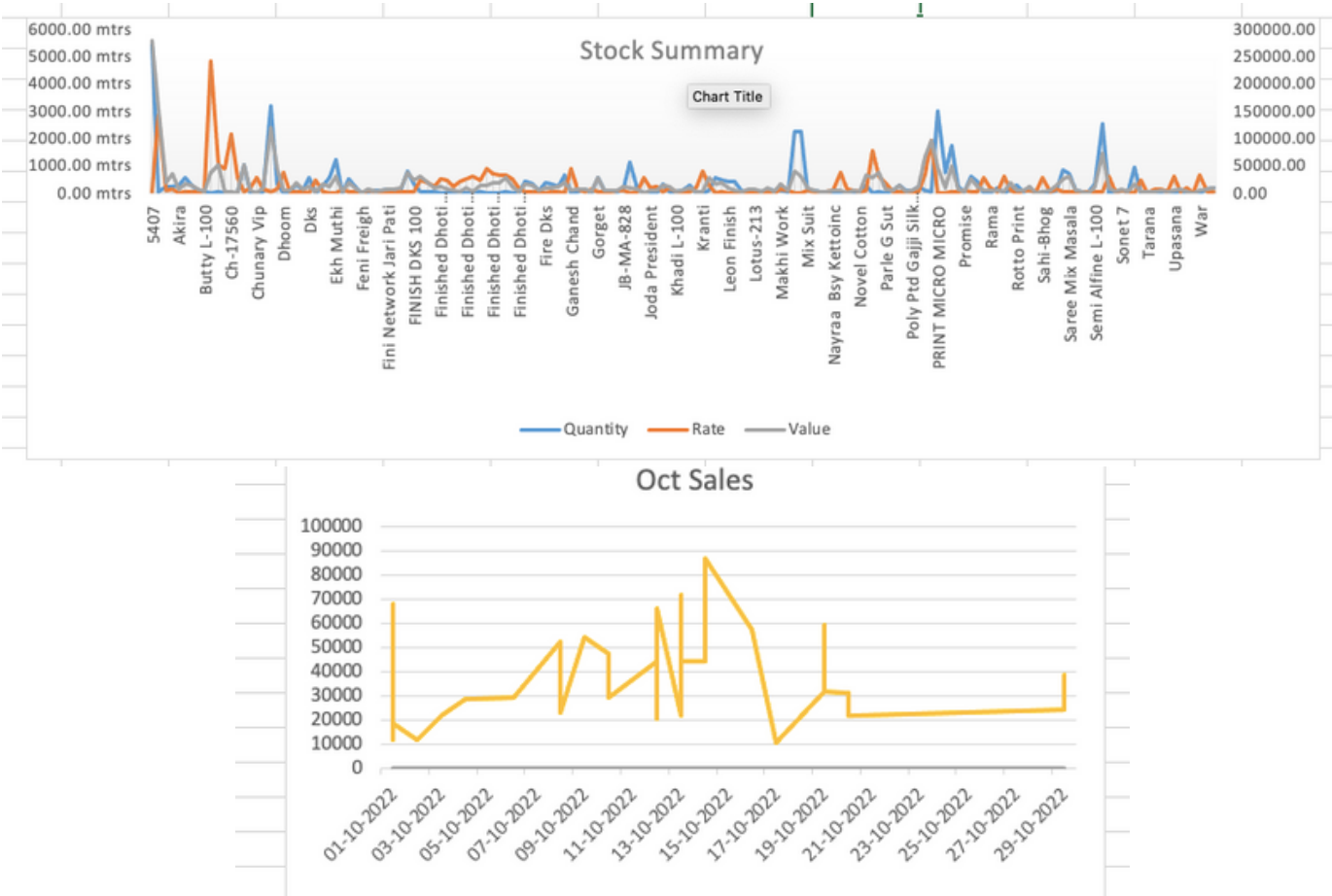
4. **Net Sales Revenue Generated from April 1 to November 8, 2022:** Throughout the same period, the company achieved a net sales revenue of 5,406,288.76 INR. This figure represents the total income generated from the sale of products and services during this timeframe.
5. **Variety of Fabrics:** The company offers an impressive selection of 162 different types of unstitched and stitched fabrics, catering to diverse customer preferences.
6. **Supplier Network:** The company currently sources materials from 97 unique suppliers located in neighboring states and districts, ensuring a robust and diverse supply chain.

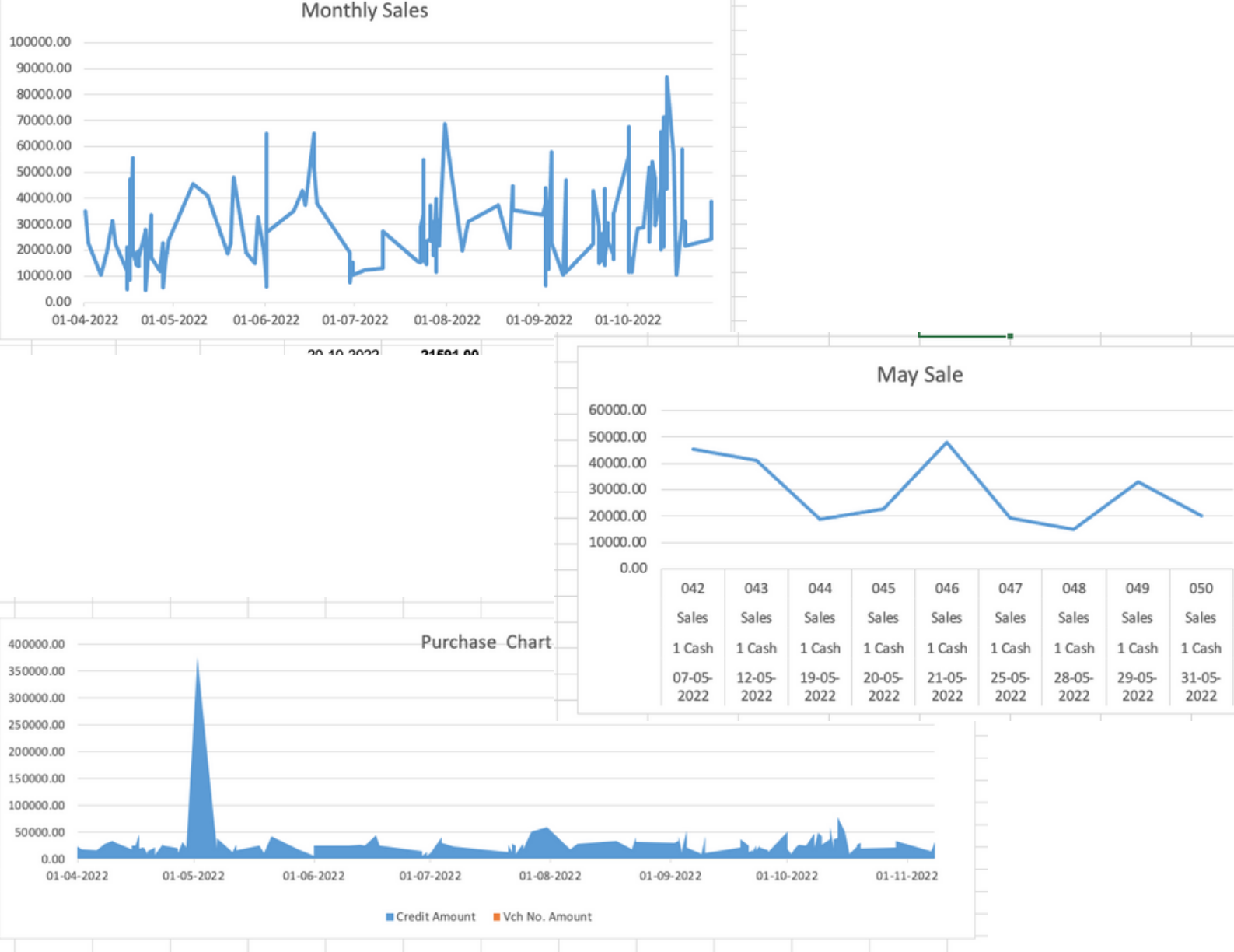
Analysis Process

MS Excel and Google Sheets are the main tools used in the analytical process. A first round of basic data pre-processing is carried out once the data is entered into the spreadsheet. This covers tasks like sorting, fixing typos, managing empty cells, and more.

After the pre-processing stage of the data is over, the real analysis happens in Google Sheets and Excel. In order to improve analysis efficiency, new columns are derived from the entered data and certain columns are removed selectively at this step.

Excel's rich feature set and toolkit are used to analyse data, find trends, create pivot tables, do computations, and finally come to meaningful conclusions. The foundation of our analytical approach is this procedure.



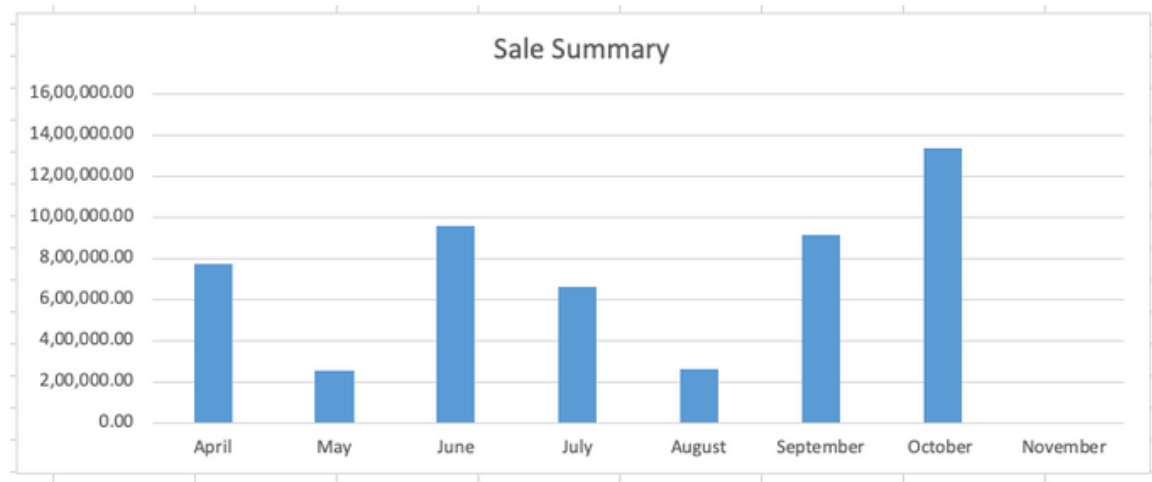


- One of the suggested methods for stock inventory management is for the factory to open a wholesale store or sell the high volume fabric to unstitched fabric companies and wholesale retailers. This is a feasible alternative since the factory owner has a few stores that can be expanded into a full-service wholesale store and are located in the neighborhood and other surrounding areas.
- Prior to placing the next bulk purchase for the commodity, be aware of the inventory data and capacity.
- Local Store: If they state it on their primary holding that they have been on the market since 1993, then social proof should be their key draw and marketing tactic. Customers would naturally learn the value of trust and quality from it.
- At the end of the month, they should be able to order the following bulk of purchases efficiently by identifying the buy pattern from the prior month by knowing the demand and inventory data.
- Analyzing the data led me to discover that the company only purchases a small number of different commodities in limited quantities due to the highly specialized nature of the products being offered to it. Since there is a significant variation in the profit margin over months, the solution is to grow the network and establish weekly or monthly targets to meet.

Results and Findings

Principal Groups	1-Apr-22 to 8-Nov-22	Principal Ratios	1-Apr-22 to 8-Nov-22
Working Capital	15,01,776.52 Dr	Current Ratio	1.23 : 1
<i>(Current Assets - Current Liabilities)</i>		<i>(Current Assets : Current Liabilities)</i>	
Cash-in-Hand	61,75,807.26 Dr	Quick Ratio	0.84 : 1
Bank Accounts	11,97,756.85 Cr	<i>(Current Assets - Stock-in-Hand : Current Liabilities)</i>	
Bank OD A/c		Debt/Equity Ratio	0.11 : 1
Sundry Debtors	6,34,281.00 Cr	<i>(Loans (Liability) : Capital Account + Nett Profit)</i>	
<i>(due till today)</i>	94,850.00 Dr	Gross Profit %	(-)14.48 %
Sundry Creditors	66,87,716.18 Cr	Nett Profit %	(-)15.37 %
<i>(due till today)</i>	67,62,631.18 Cr	Operating Cost %	115.37 %
Sales Accounts	51,48,835.85 Cr	<i>(as percentage of Sales Accounts)</i>	
Purchase Accounts	52,46,708.41 Dr	Recv. Turnover in days	0.00 days
Stock-in-Hand	25,70,946.65 Dr	<i>(payment performance of Debtors)</i>	
Nett Loss	7,91,602.30 Dr	Return on Investment %	(-)37.98 %
Wkg. Capital Turnover	3.43	<i>(Nett Profit / Capital Account + Nett Profit)</i>	
<i>(Sales Accounts / Working Capital)</i>		Return on Wkg. Capital %	(-)52.71 %
Inventory Turnover	2.00	<i>(Nett Profit / Working Capital) %</i>	

- 1.1. **Current Ratio (1.23:1)**: This indicates that the company's current assets exceed its current liabilities, with a ratio of 1.23:1. It suggests that the company has a healthy ability to cover its short-term obligations using its current assets.
- 1.2. **Quick Ratio (0.84:1)**: With a quick ratio of 0.84:1, the company's ability to meet its immediate liabilities is somewhat constrained. This ratio considers only the most liquid assets and suggests that the company's current stocks on hand may be insufficient to cover its short-term obligations.
- 1.3. **Net Profit (-15.37%)**: The net profit margin stands at -15.37%, indicating that the company has incurred a loss equivalent to 15.37% of its total revenue. This suggests that the company's profitability needs improvement.
- 1.4. **Operating Cost (115.37%)**: The operating cost as a percentage of revenue is high at 115.37%. This signifies a notable concern as it suggests that a significant portion of the revenue is being consumed by operating expenses, and cost optimization measures may be required.
- 1.5. **Return on Investment (ROI) (-38%)**: The ROI at nearly -38% is negative, indicating that the company's investments have not yielded positive returns. It suggests that the company is not generating sufficient returns on its investments and may need to reassess its investment strategies.



Based on the analysis of the opening and the closing stocks :

1. August(open:2,57,865.50-close:29,02,301.69) followed by May (open: 2,50,764.30-close :10,25,082.90) has recorded the least sale and high load on the inventory.
1. June (open:9,55,984.15-close:19,81,067.05)and October(open:13,35,365.80-close:51,48,835.85) has recorded the most sale of the the trend
1. The observed pattern is that after the month of low sale, the sales pickup and balance out the low volume.