

## A STUDY ON FIXED ASSETS MANAGEMENT IN KESORAM CEMENTS

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### Abstract:

This research examines fixed asset management at Kesoram Cement, a significant cement producer. The study will analyse Kesoram Cement's fixed asset purchase, use, maintenance, and disposal techniques to assess their performance and suggest strategic improvements. The research uses quantitative analysis, case studies, and Kesoram Cement balance sheets to get operational excellence insights into fixed asset management. This report examines Kesoram Cement's procurement, depreciation, maintenance, and disposal processes after analysing its fixed asset management system. Financial measures including asset turnover, return on assets, and depreciation efficiency are used to assess Kesoram Cement's fixed asset management.

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### INTRODUCTION:

Businesses put a lot of money into fixed assets, which are also known as capital assets or property, plant, and equipment. Maximizing long-term asset value, optimizing resources, and ensuring operational stability all depend on competent fixed asset management. The purpose of this article is to examine fixed asset management (FAM), its components, and the ways in which companies employ them to increase output and revenue. For fixed asset management to be successful, it is necessary to accurately identify and classify assets. Documenting, tagging, and classifying all of Organization's assets will make tracking and monitoring much simpler. There is a lot of planning and consideration that goes into purchasing new assets. However, depreciation ensures that the economic value of assets is reflected by appropriately recording their reduction in value over time. Regular maintenance and prompt issue resolution are critical to extending the life of fixed assets. Because of the consistent care it gets, an asset lasts longer and performs better when used. Modern monitoring systems and technologies allow companies to track the location, condition, and use of their permanent assets. Damage, theft, or misuse are less likely to occur as a result of this. Making calculated decisions about when and how to sell or replace assets is essential to fixed asset management. When deciding whether to repair or replace an asset, businesses must take a number of factors into account, such as depreciation, technological advancements, operational performance, and others. Adherence to all relevant accounting laws and regulations is essential. The only way for financial statements to fully and correctly portray a company's financial status is for the reporting to be honest and transparent. A company's survival is dependent on its ability to promptly identify and mitigate hazards associated with its fixed assets. This includes factors such as market fluctuations, technological

obsolescence, and changes in law that affect asset prices. Making the most of fixed assets is a crucial step in maximizing return on investment. Finding more efficient uses for one's assets is something that every company should be striving toward. Strategies for Reducing Waste in Fixed Asset Management: Asset Management Software: It may be much simpler to track and monitor fixed assets with the use of technology, namely specialized asset management software. This, in turn, boosts productivity by decreasing the possibility of human error. With the help of regular audits and inspections, you can keep track of your assets accurately, identify any issues, and prove that you're following accounting standards.

### **Research Gap**

Advanced analytics in fixed asset management may help businesses go from reactive to proactive asset care. Increased equipment lifespan, lower maintenance expenses, and less downtime. Few studies have examined the merits and downsides of predictive analytics in fixed asset management. Compared to financial consequences like ROI and asset turnover ratios, the organizational effects of successful fixed asset management, like as productivity, innovation, and competitiveness, have been understudied. Businesses must comprehend the non-financial benefits of efficient asset management to encourage technology adoption and process improvement programs to improve fixed asset management capabilities.

### **Objectives of the Study**

- To understand the process of Fixed Asset management
- To know the impact of inadequate Fixed Asset Management on Financial Performance
- To determine the present status of the Organizations Fixed Asset Management Practices
- To asses the effectiveness of Asset Utilization

### **Research Methodology**

The data is collected from the secondary source of the financial statements of the company. There is no primary data in this project report. Research Design: Descriptive Research Design Analytical Tools: Balance sheets with Ratio Analysis Source of the data Secondary Source : The data which is collected from the secondary data which is already availed for the analysis. In this research the data is gathered from the websites, journals, textbooks etc.

### **Limitations of the Study**

- The study is constrained by time constraints.
- The data used for analysis might not have been collected at the optimal time.

- The results of the analysis might not be reliable enough to use for decision making.
- The data used for analysis comes from secondary sources, which might not be entirely accurate.

## Review of Literature

A Study on Fixed Assets Management by A. Haritha, K Divya, (Oct 2019): Assets and property that are not easily convertible into cash are called fixed assets in accounting. Property and plant and equipment (PP&E) is another name for these assets. When compared to liquid assets, such as cash and bank accounts, this could be seen in a different light. The term "fixed assets" is often understood to refer only to tangible items. Any asset that does not immediately benefit the company's end users or customers is considered a fixed/non-current asset. Baking supplies (flour, yeast, etc.), money owed to the bakery by clients (debtors or accounts receivable), bank accounts, etc., are all examples of what would be considered current assets. Assets that do not generate immediate revenue include things like the bread oven, delivery vehicles, cash registers, and so on.

Analysis of Fixed Assets Management in the Manufacturing Industry, India, by Dr. Toopalli Sirisha, Mrs.G.Githanjali Jain, (July 2023): The possession and usage of physical objects by a business is known as a fixed asset. In this paper, we will look at the problem that affects asset management effectiveness and profitability and how it stems from non-current fixed assets. The impact of estimates and values on accounting fixed assets is one of the several purposes of this research. The fixed assets management process involves carefully documenting and monitoring fixed assets from the time of acquisition until they are sold. Businesses cannot comply with reporting and accounting requirements without accurate record-keeping.

A Study on Fixed Asset Management by Mr. P.C. Penchala Reddy, Mr. Dudekula , (Dec 2017): Assets and property that are not easily convertible into cash are called fixed assets in accounting. Property, plant, and equipment (PP&E) is another name for these assets and properties that aren't needed right now. Something that can be used right now is like liquid assets, which include things like bank accounts and cash. The term "fixed assets" is often understood to refer only to tangible items. An extra way to look at fixed/non-current assets is as anything that a company doesn't sell to its consumers or end users. Baking ingredients, yeast, flour, and other liquid assets, as well as debtors' or accounts receivable's sales value, bank accounts, and other liquid assets could be considered a bakery's current assets. Its bread oven, delivery vehicles, cash registers, and other such items are examples of non-current assets.

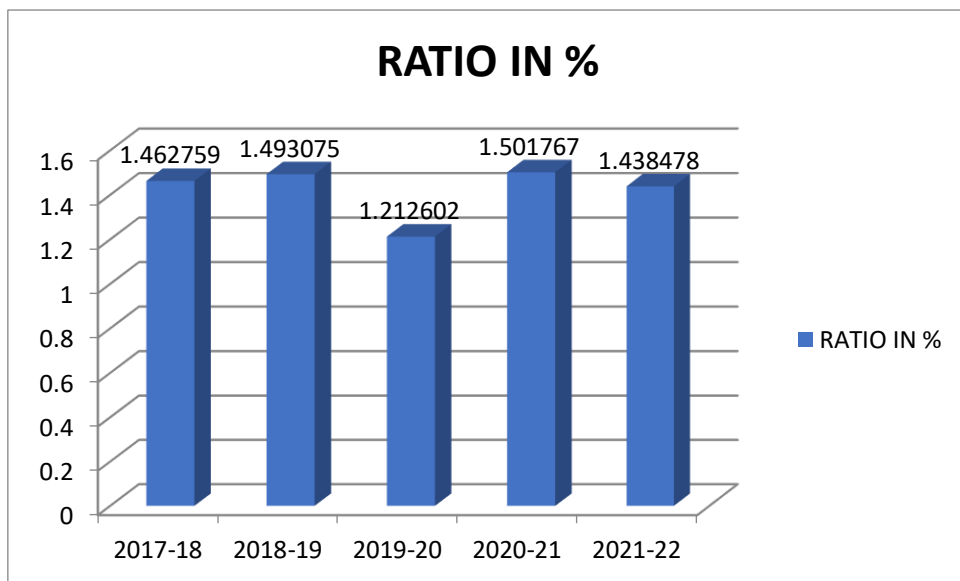
## Data Analysis And Interpretation

### Fixed Assets Turn Over Ratio:

The fixed assets turnover ratio is a relation between the sales or cost of goods and fixed/capital assets employed in a business.

$$\text{Fixed assets turnover ratio} = \frac{\text{sales}}{\text{Total fixed asset}}$$

YEAR	SALES	NETFIXED ASSETS	RATIO IN %
2017-18	6385.50	4365.38	1.462759
2018-19	7042.82	4716.99	1.493075
2019-20	13205.64	10890.33	1.212602
2020-21	18270.69	12166.13	1.501767
2021-22	20174.94	14025.19	1.438478



**Interpretation:**

The above table shows increases in Net fixed assets. That can also be seen clearly in sales, that indicates a good sign.

**Findings:**

After analyzing the financial position of Kesoram Cement and evaluating its fixed assets management or capital budgeting techniques in respect of component analysis, trend analysis and ratio analysis. The following conclusions are drawn from the project preparation.

The progress of Kesoram Cement shows that there is an increase in Net block considerably over the year that the investment in the net block is in increase trend .It increased during the year 2017-2022 and it has 44.49%.

- Regarding the Fixed Asset turnover ratio, sales had an increased on 0.3 in 2017-2022.
- Regarding the Return on total assets ratio it has been observed that There is profit. This shows the favorable position of the company.
- From the above study it can be said that the Kesoram Cement overall financial position on fixed assets is satisfactory.

### **Suggestions:**

- Instead of disclosing the combined flows of debtors and loans advances as decrease/(increase) in trade and other receivables, their separate disclosure will be more meaningful.
- Globalization of economies and the requirement of shares from investors in capital market, diverse and demanding audience to the company, need a clear and in-depth in information about the company's financial position in annual report.

### **Conclusion**

The study of Kesoram Cement's Fixed Asset Management has shed light on many significant aspects of the company's approach to managing these assets. Analyzing their asset inventory, depreciation methodologies, maintenance plans, compliance, risk management, and technology integration, this study may assist Kesoram Cement enhance their operational efficiency and financial performance. Kesoram Cement will be able to use the data gathered from this study to refine and advance their current methods of fixed asset management. In order to remain competitive in the cement manufacturing industry, the organization should address the identified areas for improvement in order to boost operational efficiency, decrease risks, and maintain its position. Similar to any comprehensive study, Kesoram Cement must continually assess, review, and adjust its strategies to attain continuous success in its fixed asset management operations. Our understanding of what works in fixed asset management for manufacturing organizations will hopefully be expanded by the results of this research, which should also help the company expand.

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