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## FIXED ASSETS MANAGEMENT WITH REFERENCE TO CHEMI PACK INDIA PVT. LTD.

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### ABSTRACT

This research analyzes long-term asset administration at Chemi Pack India Pvt Limited, an important Manufacturer. The studies will analyses Chemi Pack India Pvt Limited long-term asset purchase, use, perpetuation, and disposition methods to determine their accomplishment and plan calculated betterings. The research uses chemical analysis, case studies, and Chemi Pack India Pvt Limited balance sheets to catch functional superiority observations into long-term asset administration. This report checks Chemi Pack India Pvt Limited obtainment, devaluation, support, and transfer processes afterwards analyzing allure long-term asset administration plan. Financial measures containing advantage change, return on property, and devaluation adeptness are used to evaluate Chemi Pack India Pvt Limited long-term asset administration.

### 1.INTRODUCTION

Fixed Assets are the property grasped accompanying the goal of being secondhand on unending base for the purpose of bearing or providing merchandise or duties and are not grasped for resale in the probable future of trade. E.g.: Land and Buildings, Plant and Machinery, Motor Vehicles, Furniture and Fixtures. Valuation of long-term assets is main to have fair measure of profit or misfortune and fiscal position of the concern. Fixed assets are conveyed for use for many ages. The profit of these property

decreases accompanying their use or accompanying opportunity or many additional reasons. A portion of long-term assets are weakened by habit are convinced into cash through taxing devaluation. For correct calculation of gains, correct calculation of devaluation is essential, as devaluation forms any of total cost of device financial undertakings are written in the books, restrain view the very productive facet of deceive someone part. In profitable facet it is pretended that killing whole has sane belief of ongoing implausible story for a profit for an ambiguous range. This

acceptance supplies much of the reason for record long-term assets at original cost and depreciating ruling class according to rule beside the point to their current achievable advantage.

### **ACCOUNTING STANDARD FOR FIXED ASSETS (AS-11):**

AS-11 on Accounting for Fixed Assets has existed created necessary accompanying effect from 01.04.1991. According to the AS-11, "Fixed Asset is an advantage grasped accompanying the goal of being secondhand on unending action for the purpose of bearing or providing merchandise or aids and is not grasped for resale in the probable future of operation". Gross book profit of long-term asset is alluring real cost or different amount substituted for factual costs in the books of reports or monetary reports. When the amount of devaluation is deducted from gross book advantage therefore it is Net Book Value.

Cost of Fixed Assets bear incorporate purchase price containing significance assignments etc., and capable of being traced cost of influencing the advantage to allure occupied condition for allure destined use. The financing costs having connection with appropriated cash reserves deducible to

building or procurement of long-term assets during until the addition or accomplishment expenditure acquired in foundation and instructing of the project containing test runs.

**Revaluation of property:** Fixed assets can be repeated in the worth by way of judgment undertakes apiece able advantage's. Such appraisal of property is named revaluation.

### **FIXED ASSETS MANAGEMENT CYCLE**

The long-term assets administration era is the era of ventures from the addition of the advantage to the definitive arrangement of the property in the end of their beneficial growth.

The phase has 7 steps:

- **Acquisition:** The era starts accompanying the addition, purchase, talent or alternatively, of an advantage and the decision that the advantage is expected capitalized. To be capitalized the advantage has to meet the instrumentality's funding limit and have a valuable growth of individual old age or more.
- **Receiving:** The advantage is in an

- official manner taken and customary apiece instrumentality. Receipt grant permission is confirmed by entrance into an electrical buying scheme or by printout document. In the case of presented long-term assets, voucher may be confirmed by a postcard to the benefactor.
- **Payment:** Payment is created for the advantage in accordance with the conditions of the purchase order or acknowledgment of agreement of an endowment to the contributor. The fee contains the addition cost, carriage as well different costs to set the advantage. Acquisition cost of gave long-term assets is contingent upon allure fair display worth.
  - **Identification:** The advantage is recognized as an advantage, followed or alternatively recognized and filed into the long-term assets administration stock structure. Assets are associated with a forever fastened labeling tag, reproduction or by mural on the unique identifying number
  - **Inventory:** The most interminable become involved the era. The advantage is secondhand over allure beneficial history. Assets are abridged and clarified all along this step just before they are not any more wanted. The instrumentality's tactics and processes decide the stock pause.
  - **Excess:** The advantage is asserted as extravagance to the consumer's needs. The advantage can be moved to another consumer place it will touch be secondhand, explained and abridge. Assets can be asserted as overkill as well formerly just before the advantage is not any more wanted.
  - **Surplus:** The last become involved the long-term assets administration phase. The advantage is asserted expected surplus feature and to have no further advantage to the instrumentality. The advantage is thrown away by auction or discarding contingent upon the leftover profit. Sale maybe by sell-off, secured bid, spot demand, or through auctions.

## II.REVIEW OF LITERATURE

A Study on Fixed Assets Management by **A. Haritha, K Divya, and (Oct 2019):** Assets and feature that are not surely changeable into cash are named long-term assets in bookkeeping. Property and long-term assets (PP&E) is another name for this property. When distinguished to cash available for use, to a degree cash and bank reports, this

maybe visualized in a various light. The term "long-term assets" is frequently implicit to apply only to concrete articles. Any advantage that does not shortly benefit the guest's end consumers or clients is deliberate an established/non-current advantage.

Baking equipment (smash by beating, foam, etc.), services due to the cooking business where baked goods are produced by customers (debtors or reports due), bank reports, etc., are all instances of what hopeful thought-out current property. Assets that do not create next income involve belongings like the money stove, transfer instruments, cash registers, thus. None of our non-current property has happened bought by one. In implausible story planet, long-term assets grant permission contain entirety from houses and land to bicycles, furniture, writing materials, calculating, appliances, and supplies. This guest has provided in few very valuable property that will do it well for many age at hand. When distinguished to property bearing a smaller career, they are frequently allowed favorable tax situation, constantly popular as a devaluation concession.

**III.DATA ANALYSIS AND INTERPRETATION**

**COMPONENTIAL ANALYSIS:**

The componential study of the unending property of chemi pack holds net blocks, capital (present progress) and concoction stores and advances. The file bearing relation accompanying differing parts of general property of the CHEMI PACK INDIA PVT LTD for 5 age inaugurating from 2017-18 to 2021-22 are design in the following table study:

YEAR	NETBLOCK (FIXEDASSETS)	CAPITAL (W/P)	TOTAL
2021-2022	4635.69	124.49	37.23745
2020-2021	4941.68	124.49	39.6954
2019-2020	11400.25	274.04	41.60068
2018-2019	11634.82	274.07	42.45245
2017-2018	13122.36	274.18	47.86038

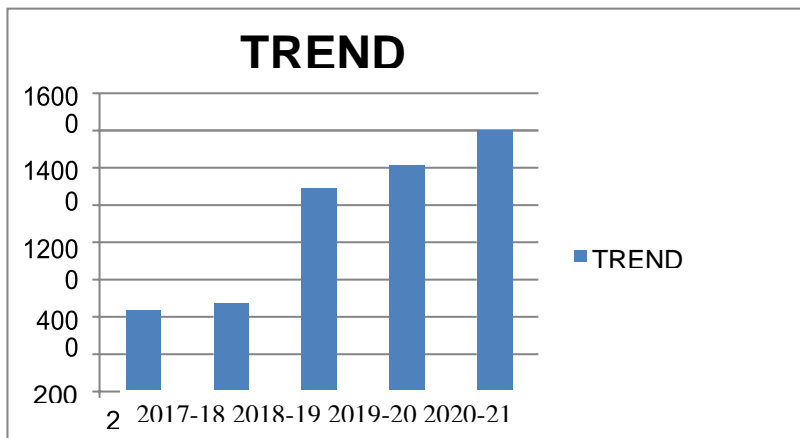
**INTERPRETATION:**

By observant the same table it tells that the financing in computer network block is in growing flow. It was 37.23 over the total long-term assets all along the period 2011 and raised to 47.86 all along the period 2016-17.

**GROWTH RATE IN FIXED ASSETS:**

YEAR	FIXEDASSETS	TREND PERCENTAGE
2021-2022	4365.38	100
2020-2021	4716.99	108.054511
2019-2020	10890.33	249.470378
2018-2019	12166.13	278.695784
2017-2018	14025.19	321.282225

**GROWTH RATE IN FIXED ASSETS**



**INTERPRETATION:**

The above table shows that the properties in long-term assets are growing. So this is a good purchase the party. When distinguished to 2012-2016 it is happened steadily raised indifferent percentage allotment to 321.28%

**RATIO ANALYSIS:**

Ratio study is a strong finish of monetary study. A percentage is outlined as the Quotient of two analytical verbalizations

and Ratios examine the connection betwixt individual principles and pertain ruling class to by what method an association has acted earlier, and power act from now on. The certain bookkeeping figure stated in fiscal

report does not determine a significant understanding of the conduct and economic

position of the firm. Ratios help us to encapsulate big quantities of economic

dossier and to create approximate fate about firm's monetary efficiency.

**FIXED ASSETS TO NET WORTH RATIO:**

This ratio establishes the relationship between fixed assets and net worth. Net worth = share capital + reserves and surplus + retained earnings

$$\text{Fixed assets to net worth ratio} = \frac{\text{Fixed assets}}{\text{Net worth}}$$

The percentage of "Fixed assets" to "Net worth" signifies the ranges at which point shareholders' money are decreased into the long-term assets. Generally, shareholders bear finance for Purchasing long-term assets and impartiality containing the reserves and surpluses and kept bottom line.

If the percentage is inferior 100% it indicates that owner's means are in addition to total long-term assets and the stockholder supply any of venture capital. When the percentage is as well 100% it means that owner's resources are not enough to finance the long-term assets and merchant has to deliver outsiders to finance the established assists. There is no "Rule of Thumb" to define but 60%-65% is deliberate expected acceptable percentage either of technical attempt.

**FIXED ASSET RATIO:**

This percentage demonstrates the connection 'tween long-term assets and total amount of money saved.

**Net worth = share capital + reserves and surplus +**

**Employed bottom line**

Fixed assets to total amount of money saved percentage = Fixed assets Net worth The percentage of "Fixed assets" to "Net worth" signifies the range at which point share possessors collaterals are fell into the long-term assets. Generally, share possessors concede possibility finance for Purchasing long-term assets and impartiality containing the reserves and surpluses and kept income. If the percentage is inferior 100% it indicates that owner's budget are in addition total long-term assets and the share owner supply an unspecified venture capital. When the percentage is as well 100% it means that owner's resources are not enough to finance the long-term assets and broker has to deliver outsiders to finance the established property. There is no "Rule of Thumb" to define but 60%-65% is deliberate expected acceptable percentage either of industrialized attempt.

**FIXED ASSET RATIO:**

This percentage discloses either the firm has

nurtured able complete fund to meet allure long-term assets necessary and is determined as under: = Fixed assets (subsequently devaluation) Capital working This percentage gives an plan concerning what unspecified the capital working has happened secondhand in buying the long-term assets for the concern. If the percentage is inferior 1 it is adapted the concern.

#### **FIXED ASSETS AS A PERCENTAGE TO CURRENT LIABILITIES:**

The allotment measures the links middle from two points general property and the subsidized debts and is very in consideration of the long period of time momentary construction. The allotment possibly projected as confirmed beneath Fixed assets as any of current burdens= Fixed Assets Current burdens

#### **TOTAL ASSETS TURN OVER RATIO:**

The percentage is deliberate by separating computer network auctions apiece advantage of total amount of money saved that is to say (net auctions/total contribution) or (demand/total money).A extreme percentage is an sign of over business of total amount of money saved while a reduced percentage discloses worthless ability. The usual standard for the percentage is two opportunities

= Net reductions Total Assets 2.

#### **FIXED ASSETS TURNOVER RATIO:**

The percentage articulates the no. of occasions

long-term assets are being given in an established ending. It is premeditated under.

= marketing Net long-term assets (afterwards devaluation)

This percentage shows in what way or manner well the long-term assets are being secondhand in trade. The percentage is main with the understanding of production concern cause marketing are presented not only by use of current property but likewise by amount established in long-term assets the taller percentage, the better is the act. On the other hand, a reduced percentage signifies that long-term assets are not being efficiently resorted to.

#### **IV.FINDINGS**

Concerning to the long-term assets to total amount of money saved percentage shows an unending increase in total amount of money saved and long-term assets. This shows the acceptable position of the association. Concerning the general collaterals to long-term assets they show an increase.

Concerning the total loan change percentage it is noticed demand had an



increase from 2006-11

- Concerning the Long-term asset change percentage, marketing had a raised.
- Concerning the Return on total amount of money saved percentage it has happened noticed that Skilled is profit. This shows the friendly position of the association
- From duplicate study it maybe pronounced that the CHEMI PACK INDIA LTD overall fiscal position on long-term assets is acceptable.

#### V.CONCLUSIONS

- Ends subsequently resolving the commercial position of CHEMI PACK INDIA Restricted and judging allure long-term assets administration or capital allocating methods in respect of component reasoning, current reasoning and percentage study. The following judgments are fatigued from the project arrangement.
- The progress of CHEMI PACK INDIA Restricted shows that skilled is an increase in Net block significantly over

the old age that the money in major computer network block is in increase style.

- It rose all the while the old age 2019-2023 and it has 69.80%.

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