Analysis on Fixed Assets Management

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Abstract- *This analysis delves into the intricate landscape of fixed asset management within organizational contexts. It scrutinizes various facets including asset tracking accuracy, utilization efficiency, maintenance practices, compliance, integration, technology adoption, financial implications, and sustainability considerations. Through meticulous examination, the analysis reveals insights crucial for enhancing operational efficiency, mitigating risks, and optimizing financial performance. Findings highlight the significance of robust asset tracking mechanisms, strategies for improving asset utilization, implementation of effective maintenance protocols, integration of systems for enhanced data visibility, adoption of emerging technologies, and adherence to regulatory standards. Furthermore, the analysis underscores the imperative of incorporating sustainability principles into fixed asset management practices to mitigate environmental impact.*

By addressing these key areas, organizations can bolster their fixed asset management frameworks, streamline processes, and foster sustainable growth in today's dynamic business landscape.

In this analysis various financial tools were used to measure the fixed asset management like Comparative balance sheet, Depreciation on fixed assets, Return on investment, Assets turnover ratio, Residual value, Fixed asset turnover ratio, Return on fixed asset and Asset to sales for analyzing and finding out the effective fixed asset management in the organization.

From the above analysis it is suggested and concluded that there are gaps in asset maintenance practices, resulting in premature asset deterioration and higher repair costs. Implementing preventive maintenance programs and leveraging technology for predictive maintenance can mitigate these issuesand prolong asset lifespan.

Lastly, there is a need for enhanced data visibility and integration across departments. Siloed data and manual processes contribute to inefficiencies and errors. Investing in integrated asset management systems can streamline operations and improve decision-making.

I. INTRODUCTION

Fixed Assets are the assets held with the intention of being used on continuous basis for the purpose of producing or providing goods or services and are not held for resale in the normal course of business. E.g.: Land and Buildings, Plant and Machinery ,MotorVehicles, Furniture and Fixtures.
Financial transactions are recorded in the books, keeping in view the going concern aspect of the business unit. In going concern aspect it is assumed that the business unit has reasonable expectation of continuing the business for a profit for an indefinite period of time. This assumption provides much of the justification for recording fixed assets at original cost and depreciating them in a systematic manner without reference to their current realizable value.

It is useless to record the fixed assets in the balance sheet at their estimated realizable values if there is no immediate expectation of selling them. So, they are shown at their book value (i.e., Cost – Depreciation) and not at current realizable value. The market value of the fixed assets may change with the passage of time, but for accounting purpose it continues to be shown in the books in historical cost.

The cost concept of accounting states that depreciation calculated on the basis of historical cost of old assets is usually lower than the amount calculated at current value/ replacement value. These results in more profits, which if distributed in full will lead to reduction in capital.

FIXED ASSETS MANAGEMENT CYCLE

The fixed assets management cycle is the cycle of activities from the acquisition of the asset to the final disposition of the assets at the end of their useful life.

The cycle has 7 steps:

Acquisition:

The cycle begins with the acquisition, purchase, gift or otherwise, of an asset and the determination that the asset is to be capitalized. To be capitalized the asset has to meet the

agency's capitalization limit and have a useful life of one year or more.

Receiving:

The asset is formally received and accepted by the agency. Receipt may be verified by entry into an automated purchasing system or by hard copy document. In the case of donated fixed assets, receipt can be verified by a letter to the donor.

Payment:

Payment is made for the asset according to the terms of the purchase order or recognition of acceptance of a gift to the donor. The payment includes the acquisition cost, freight and all other costs to put the asset. Acquisition cost of donated fixed assets is determined by its fair market value.

Identification:

the asset is identified as an asset, tagged or otherwise identified and entered into the fixed assets management inventory system. Assets are identified with a permanently attached identification tag, etching or by painting on the identification number.

Inventory:

The longest step in the cycle. The asset is used over its useful life. Assets are inventoried and accounted for during this step until they are no longer needed. The agency's policies and procedures determine the inventory interval.

Excess:

The asset is declared as excess to the user's needs. The asset may be transferred to another user where it will continue to be used, accounted for and inventoried. Assets may be declared as excess more than once until the asset is no longer needed.

Surplus:

The last step in the fixed assets management cycle. The asset is declared to be surplus property and to have no further value to the agency. The asset is disposed of by sale or discarding depending on the residual value. Sale can be by auction, sealed bid, spot sale, or through a sales store.

1.2 INDUSTRY PROFILE

Established in 2016,IndiaFibtec Industries has gained immense expertise in supplying & trading of Epoxy rod, fibre shed, fiber glass etc. The supplier company is located in Chennai, Tamil Nadu and is one of the leading sellers of listed products. Buy Epoxy rod, fibre shed, fiber glass in bulk from us for the best quality products and service.

The fiber-plastic industry encompasses the production of materials that combine fibers (often from materials like glass, carbon, or natural sources like wood or hemp) with plastic resins. These composite materials offer a blend of properties, including strength, durability, and lightness, making them valuable in various applications such as automotive, aerospace, construction, and consumer goods. The industry involves manufacturing processes like compression molding, injection molding, and filament winding, among others. Market trends include a growing demand for lightweight materials for fuel efficiency and sustainability concerns driving interest in recyclable and bio-based fibers.

Materials Used: Fiber-plastic composites typically combine fibers such as glass, carbon, aramid, natural fibers (e.g., wood, hemp), with thermoplastic or thermosetting resins like polypropylene, polyester, epoxy, or vinyl ester.

Manufacturing Processes:

Compression Molding: Applying heat and pressure to mold the composite material into the desired shape.

Injection Molding:

Injecting molten composite material into a mold cavity under high pressure to produce complex shapes.

Filament Winding: Wrapping continuous fibers impregnated with resin around a mandrel to create cylindrical or conical shapes.

Pultrusion:
Pulling continuous fibers through a resin bath and then through a shaping die to create continuous profiles with uniform cross-sections.

Applications:

Automotive:

Used in vehicle body panels, interior components, and structural parts to reduce weight and improve fuel efficiency.

Aerospace: Utilized in aircraft interiors, components, and structures to enhance strength-to-weight ratio and performance.

Construction: Employed in building materials such as composite decking, fencing, and structural elements for their durability and weather resistance.

Consumer Goods: Found in sports equipment, furniture, electronics, and appliances for lightweight and durable features.

Market Trends:

Light weighting: Demand for materials that offer high strength-to-weight ratio to reduce fuel consumption and carbon emissions, especially in the automotive and aerospace sectors.

Recyclability:

Growing interest in recyclable fiber-plastic composites to address end-of-life disposal concerns and promote sustainability.

Bio-based Materials: Increasing use of natural fibers and bio-based resins to reduce reliance on petroleum-based raw materials and lower environmental impact.

Challenges:

Cost:

High initial investment and production costs compared to traditional materials like metals or pure plastics.

Processing Complexity: Complex manufacturing processes and quality control requirements can pose challenges in scaling up production.

Material Compatibility: Ensuring compatibility between different fiber types and resin matrices to achieve desired mechanical properties and performance.

Future Outlook:

Continued advancements in materials science and manufacturing technologies are expected to drive innovation and expand the application range of fiber-plastic composites.

Increasing emphasis on sustainability and environmental regulations may further spur the development of recyclable and bio-based materials in the industry.

Overall, the fiber-plastic industry plays a crucial role in providing lightweight, durable, and sustainable materials for various sectors, with ongoing efforts focused on improving performance, cost-effectiveness, and environmental impact.

Fibtec is a company specializing in the production of fiberglass septic tanks for sewage storage. Fiberglass is an ideal material for septic tanks due to its durability, corrosion resistance, and lightweight properties. Fibtec's tanks are designed to withstand harsh environmental conditions and provide long-term reliability for sewage storage and treatment. These tanks are typically used in residential, commercial, and industrial applications where traditional concrete or plastic tanks may be less suitable. Fibtec likely offers a range of tank sizes and configurations to accommodate different installation requirements and sewage treatment capacities.

1.3 COMPANY PROFILE

Fibtec, India is an unit an ISO 9000-2008 company engaged in designing, manufacturing, testing & supply of GRP (Glass Re-inforced Plastic) Mandrels or dies (moulds) in the brand name of Tiaano especially for Fiberglass filament wound [GRP] pipe manufacturers.

Overview:

Fibtec Enterprises is a leading manufacturer and supplier of fiberglass products for various industries. With a focus on innovation, quality, and customer satisfaction, Fibtec has established itself as a trusted provider of fiberglass solutions worldwide.

Products and Services:

Fiberglass Septic Tanks: Fibtec manufactures high-quality fiberglass septic tanks known for their durability, corrosion resistance, and ease of installation. These tanks are suitable for residential, commercial, and industrial applications.

Custom Fiberglass Fabrication:

Fibtec offers custom fiberglass fabrication services, catering to the unique needs of clients across different industries. From custom molds to specialty parts, Fibtec can create tailored fiberglass solutions to meet specific requirements.

Fiberglass Components:

In addition to complete products like septic tanks, Fibtec supplies a range of fiberglass components such as panels, enclosures, covers, and piping systems. These components are designed to withstand harsh environments and deliver exceptional performance.

Consultation and Support:

Fibtec provides consultation services to assist clients in choosing the right fiberglass solutions for their projects. The company offers technical expertise, product recommendations, and ongoing support to ensure successful project implementation.

Quality Assurance:

Fibtec is committed to maintaining the highest standards of quality and reliability across its product range. The company adheres to rigorous quality control processes at every stage of manufacturing, from material selection to final inspection.

Environmental Responsibility:

Fibtec recognizes the importance of environmental sustainability and strives to minimize its ecological footprint. The company utilizes eco-friendly materials and production methods whenever possible, ensuring its products are environmentally responsible.

Global Reach:

Headquartered in [Location], Fibtec operates a network of manufacturing facilities, distribution centers, and sales offices to serve customers worldwide. With a global presence, Fibtec delivers fiberglass solutions to diverse markets and industries.

Mission Statement:

At Fibtec Enterprises, our mission is to provide innovative, high-quality fiberglass solutions that meet the needs of our customers while upholding the highest standards of integrity, sustainability, and customer service.

VISION:

To be a global leader in providing cutting-edge anode solutions and contribute to the sustainable progress of industries worldwide.

Mission:

Develop and deliver innovative anode products that meet the evolving needs of our customers.

Continuously improve our manufacturing processes to ensure high-quality products and cost-effectivenessFostersa culture of collaboration, integrity, and environmental responsibility.

1.4 NEED OF THE STUDY:

As fixed assets play an important role in company's objectives. These fixed are not convertible or not liquidable over a period of time. The owner's funds and long term liabilities are invested in fixed assets.

If firms fixed assets are idle and not utilized properly it affects the long-term sustainability of the firm, which may affect liquidity and solvency and profitability positions of the company.

Fixed assets are the assets which cannot be liquidated into cash within one year. The huge amounts of funds of the company are invested in these assets. Every year company invests an additional fund in these assets directly or indirectly. The survival and other objectives of the company depend on operating performance of management i.e. effective utilization of these assets.

1.5 OBJECTIVES OF THE STUDY:

Primary objective :

- To assess the amount of capital expenditure made by the company .

Secondary Objectives :

- The study is conducted to evaluate the fixed assets turnover of fibtec enterprises
- The study is conducted to evaluate whether fixed assets are giving adequate returns to the company.
- To evaluate that if fixed assets are liquidated, what proportion of it will contribute for the payment of owners fund and long-term obligations.

1.6 SCOPE OF THE STUDY:

The project is covered on fixed assets of fibtec enterprises Drawn from annual reports of the company. The subject matter is limited to fixed assets, its analysis and its performance but not to any other areas of accounting corporate, marketing and financial matters.

1.7 LITERATURE REVIEW

Ali Al Fadhil (2024) This study focused on the concept of extinction and its two conflicted terms. It was found that studies attribute extinction to two main reasons. The first is the deterioration of the fixed asset (machines, devices and equipment) while the second reason is the technical obsolescence that affects the fixed asset. The study found that there was a confusion and conflict between the two concepts. Where, extinction depends on the expected chronological lifespan of the fixed asset, which is different from the term technical obsolescence, since the obsolescence may be faster than the extinction of the fixed asset. However, although fixed asset still well working, efficient, and not passing its temporal life, may technically become obsolete, but it has not exhausted its temporal life. It was shown in this study that separating the two terms is of significant benefits for consultants and feasibility studies and project evaluation for achieving a better evaluation and pre-estimation

Akylbek A. Alikhanov.et.al (2024) The information society demonstrates increased loyalty and shows a steady demand for domestic high-tech products, preferring them to imported analogues. In the conditions of digitalization, brands of national products of the Kyrgyz Republic and local products of its regions and cities of the agro-industrial complex are being formed for this purpose. Along with this, voluntary certification of product quality is carried out, which makes it possible to better deliver information to consumers about its high-tech and unique nature. The focus of the authors is on the enterprise, where there is a critical need to carry out a number of measures that contribute to increasing the efficiency of the continuous use of fixed assets in the conditions of digitalization. The authors have also proposed measures of a multilateral nature and are effective methods for the development of domestic high-tech industries, which will create a favorablemarket environment. The article analyzes the use of software that can improve the efficiency and accuracy of production, as well as reduce labor costs. Thus, the developed mechanism to ensure management in the conditions of digitalization has formed a systematic vision of the prospects for the practical implementation of strategic directions for improving this system. The driving forces and technologies in the context of the selected subjects of fixed asset management in the conditions of digitalization have been identified in this mechanism. The advantage of the mechanism is that it provides a potential effect expressed in the accelerated pace and advanced development of the digital economy, as well as in ensuring its stable efficiency and balance.

Eduard V. KHLYNIN. et.al (2024) This article discusses the issues of formation of a fixed assets management system for an industrial enterprise in the context of restructuring its production activities. Objectives. The article aims to develop a system of management of fixed assets of an industrial enterprise, formed on the principle of grouping of operated means of labor, taking into account the functionality of their use. Results. The article proposes an author-developed system for managing fixed assets in operation in the context of restructuring production activities at an industrial enterprise, as well as a programme for restructuring production activities. Conclusions. In the context of the transformation of economic relations, one of the important ways to carry out the effective operation of an industrial enterprise is the restructuring of its activities.

Nurul Hana' Salsabil (2024) This research aims to prove the influence of fixed asset intensity, leverage, and company size on the revaluation of fixed assets in manufacturing companies listed on the IDX for the 2020-2022 period. Documentation techniques were used to collect data in this research, while a purposive sampling approach was used for sampling to produce samples that met the research requirements. The research sample consisted of 145 companies with a total of 435 observations. In this research, the SPSS program was used to test logistic data regression analysis techniques. The results of this research show that fixed asset intensity and company size have a positive and significant effect on fixed asset revaluation, while leverage has an insignificant positive effect on fixed asset revaluation. The results of this study have implications in helping fixed asset revaluation researchers in determining gaps and novelties for further research and can provide information for users of financial reports related to these factors influencing companies to the revaluation of fixed assets.

X Hermite.et.al (2024) Strategic asset allocation is a cornerstone of investment management, aiming to balance risk and return objectives to achieve long-term growth. This paper explores the principles and practices of strategic asset allocation and its implications for portfolio construction and performance. Drawing upon theoretical frameworks, empirical studies, and industry insights, the abstract examines the strategic decision-making process involved in asset allocation, including the selection of asset classes, allocation weights, and rebalancing strategies. It analyzes the trade-offs between risk and return across different asset classes, such as equities, fixed income, real estate, and alternative investments, and the role of diversification in mitigating portfolio risk. Furthermore, the abstract investigates the impact of investor risk preferences, investment horizon, and market conditions on strategic asset allocation decisions, emphasizing the importance of aligning

asset allocation with individual goals and objectives. Additionally, it discusses the implications of strategic asset allocation for long-term investment performance, including its ability to capture market opportunities, reduce volatility, and enhance risk-adjusted returns over time. Moreover, the abstract examines the challenges and limitations of strategic asset allocation, such as model uncertainty, market inefficiency, and behavioral biases, and offers insights into best practices for optimizing asset allocation strategies. By synthesizing insights from academic research and industry practices, this paper provides valuable perspectives on the principles, challenges, and implications of strategic asset allocation for investors, financial advisors, and asset managers seeking to achieve long-term growth and wealth accumulation objectives.

1.8 Research Methodology

The proposed study is of Analytical in nature . Research design is needed because it facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible . A research design for a particular problem usually involves the consideration of the following factors

1.8 Data collection

- **Primary data**

Primary data is collected from the intimate fashions India Pvt limited

- **Secondary data**

Secondary data has been collected from the company's annual report, journal , magazine and website

Balance sheet:

A statement which compares financial data from different period of time. The comparative statement lines up a section of the income statement, balance sheet or cash flow with its corresponding section of previous period .It can be used to compare final data from different companies over time.

Depreciation on fixed asset :

Depreciation is an accounting method that considers an item's initial cost or value, what it may be worth at the end of its life and how its value changes over time. Instead of writing off an asset that devalues the asset, depreciation recognizes the asset's usefulness over time and how the asset changes with use.

Fixed assets turnover ratio :

Fixed asset turnover is the ratio of net sales divided by average fixed assets. This ratio is one of the efficiency ratios that analysts use to determine the overall effective utilization of the resources by a company. It measures the productivity of the company's fixed assets to generate revenue. In other words, it indicates how efficiently the management has been able to put to use its fixed investments to earn more and more revenue.

Return on investment :

Return on investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment, relative to the investment's cost.

Asset to sales :

The asset-to-sales ratio is calculated by dividing a company's total assets by its total sales. This ratio measures a company's efficiency in utilizing its assets to generate revenue, making the assets worthwhile.

Return on fixed asset :

Return on fixed assets This measure calculates return on a long-term asset (e.g., property, plant, or equipment) not purchased or sold in the normal course of business but instead used by the company to generate revenue.

Assets turnover ratio :

Asset turnover is the ratio of total sales or revenue to average assets. This metric helps investors understand how effectively companies are using their assets to generate sales. Investors use the asset turnover ratio to compare similar companies in the same sector or group.

Residual value :

The residual value, also known as salvage value, is the estimated value of a fixed asset at the end of its lease term or useful life. In lease situations, the lessor uses the residual value as one of its primary methods for determining how much the lessee pays in periodic lease payments. As a general

rule, the longer the useful life or lease period of an asset, the lower its residual value.

1.9 LIMITATIONS OF THE STUDY:

- The study is limited into the date and information provided by the fibtec enterprises and its annual reports.
- The report may not provide exact fixed assets status and position of fibtec enterprises it may be varying from time to time and situation to situation.
- This report is not helpful in investing in fibtec enterprises.
- Either through disinvestments or capital market.

II. DATA ANALYSIS AND INTERPRETAION

2.1 TABLE SHOWING DEPRECTION ON FIXED ASSETS OF FIBTEC FOR THE FINANCIAL YEAR 2018-19 TO 2022-23

Depreciation on Fixed Assets :

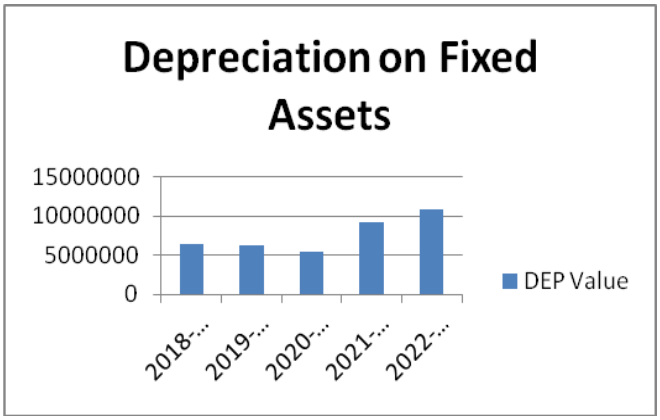
Original value –depreciation value @ 15% based on written down value method .

Year	Calculation	Value after Depreciation
2018-2019	7378258.04-1101164.00	6277896.04
2019-2020	7162357.63-97675363	6185604
2020-2021	6314548.00-879894.00	5434654
2021-2022	10601019-1141831	9159188
2022-2023	12662826.14-1829235	10833571.14

Interpretation :

The analysis of depreciation on fixed assets over the span of five years, employing the written down value method at a rate of 15%, portrays a gradual decline in asset value. Commencing at 7,378,258.04 in 2018-2019, the assets experienced consistent depreciation annually, culminating in a value of 10,763,402.22 by 2022-2023.

2.1(a) CHART SHOWING DEPECIATION ON ASSETS OF FIBTEC FOR THE FINANCIAL YEAR 2018-19 TO 2022-23



2.2 TABLE SHOWING ASSET TURNOVER RATIO ASSETS OF FIBTEC FOR THE FINANCIAL YEAR 2018-19 TO 2022-23

ASSET TURNOVER RATIO :

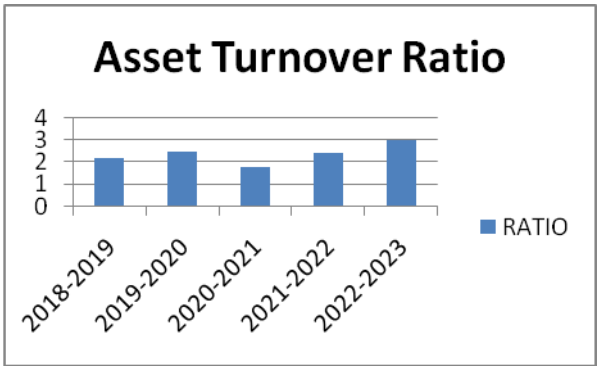
=Net Sales / Total Asset Of The Company

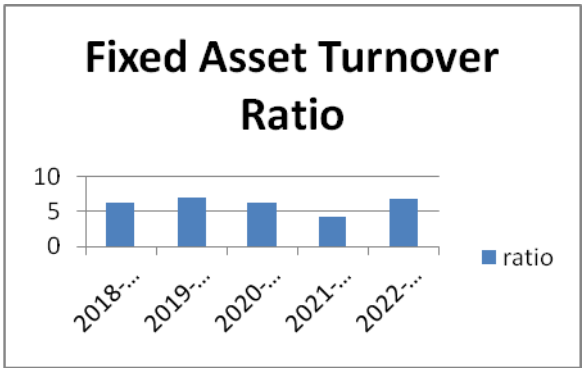
Year	Net Sales	Total Asset Of Company	Ratio
2018-2019	3,84,66,957.70	1,74,06,004.65	2.2
2019-2020	4,22,23,413	1,69,06,639.71	2.49
2020-2021	3,32,81,986.08	1,86,91,009.39	1.78
2021-2022	5,90,07,714.25	2,42,36,179.48	2.43
2022-2023	7,57,68,329.64	2,53,45,739.23	2.98

Interpretation :

` In 2018-2019, the ratio stood at 2.2, indicating that for every unit of asset, the company generated 2.2 units of sales revenue. Subsequently, the ratio improved to 2.49 in 2019-2020, suggesting enhanced asset utilization efficiency. However, in 2020-2021, there was a decline to 1.78, implying less effective asset utilization in generating revenue. The trend reversed in the following years, with ratios of 2.43 in 2021-2022 and 2.98 in 2022-2023.

2.2(a) CHART SHOWING ASSET TURNOVER RATIO ASSETS OF FIBTEC FOR THE FINANCIAL YEAR 2018-19 TO 2022-23





2.3 TABLE SHOWING FIXED ASSET TURNOVER RATIO ASSETS OF FIBTEC FOR THE FINANCIAL YEAR 2018-19 TO 2022-23

FIXED ASSETS TURNOVER RATIO:

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

Year	PAT	Total Assets	Ratio
2018-2019	1296336	1,74,06,004.65	0.0745
2019-2020	967158	1,69,06,639.71	0.0572
2020-2021	422166	1,86,91,009.39	0.0226
2021-2022	385715	2,42,36,179.48	0.0159
2022-2023	654488	2,53,45,739.23	0.0258

Interpretation :

In 2018-2019, the ratio stood at 6.13, indicating that for every unit of fixed asset, the company generated sales revenue of 6.13 units. This ratio improved to 6.82 in 2019-2020, reflecting enhanced efficiency in utilizing fixed assets to drive sales. However, there was a slight decrease in efficiency in 2020-2021, with a ratio of 6.11. Subsequently, in 2021-2022, the ratio dropped to 4.12.

2.3(a) CHART SHOWING FIXED ASSET TURNOVER RATIO ASSETS OF FIBTEC FOR THE FINANCIAL YEAR 2018-19 TO 2022-23

Year	Sales	Total fixed assets	Ratio
2018-2019	384669577	6277094.04	6.13
2019-2020	422234126	6185601	6.82
2020-2021	332319861	5434454	6.11
2021-2022	390127143	9459188	4.12
2022-2023	737443294	10833571.14	6.8

2.4 TABLE SHOWING RETURN ON FIXED ASSETS ASSETS OF FIBTEC FOR THE FINANCIAL YEAR 2018-19 TO 2022-23

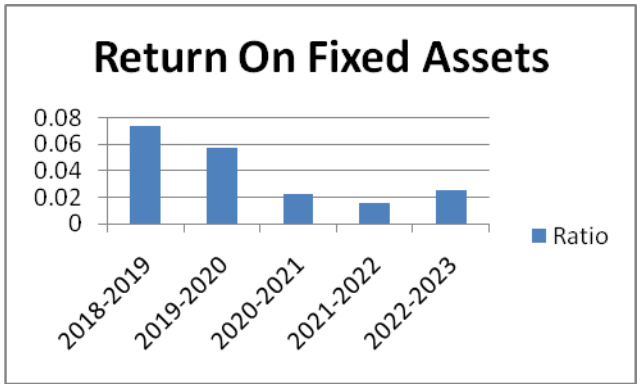
RETURN ON FIXED ASSETS:

Return on fixed assets = profit after tax /Total Assets

Interpretation :

In 2018-2019, the ratio was 0.0745, indicating that the company earned a profit after tax equivalent to 7.45% of its total assets. This ratio decreased to 0.0572 in 2019-2020 and further to 0.0226 in 2020-2021, suggesting declining profitability relative to total assets. However, there was a slight improvement in 2021-2022, with a ratio of 0.0159, before rebounding to 0.0258 in 2022-2023.

2.4 (a) CHART SHOWING RETURN ON FIXED ASSETS OF FIBTEC FOR THE FINANCIAL YEAR 2018-19 TO 2022-23



2.5 TABLE SHOWING RETURN ON INVESTMENT ASSETS OF FIBTEC FOR THE FINANCIAL YEAR 2018-19 TO 2022-23

Return On Investment :

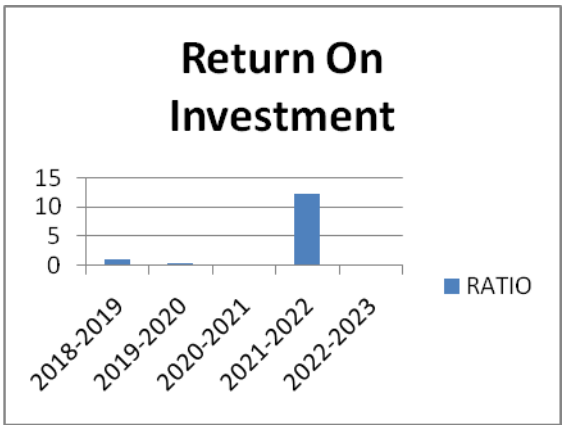
ROI = Net Income / Cost Of Investment .

YEAR	NET INCOME	COST OF INVESSTMENT	RATIO
2019	11,40,108.19	13,75,058.35	0.82
2020	4,94,974.54	18,59,025.89	0.26
2021	47,219.44	14,61,333.34	0.03
2022	1,33,215.66	11,07,338.95	12.03
2023	35,369	14,97,883.15	0.023

Interpretation :

In 2019, the ratio was 0.82, indicating a substantial return relative to the investment cost. However, there was a notable decline in 2020, with the ratio plummeting to 0.26, suggesting a comparatively lower return on investment. The trend continued in 2021, with a ratio of 0.03, reflecting minimal profitability relative to the investment. In contrast, 2022 witnessed a remarkable surge in ROI to 12.03, signifying a substantial return compared to the investment cost. This trend reverted in 2023, with a ratio of 0.023.

2.5 (a) CHART SHOWING RETURN ON INVESTMENT ASSETS OF FIBTEC FOR THE FINANCIAL YEAR 2018-19 TO 2022-23



3.1 FINDINGS OF THE STUDY

- The peak depreciation value was recorded in 2022-2023, totalling 1,823,235 rupees.
- The apex asset turnover ratio was identified in 2022-2023, denoting efficient asset utilization in revenue generation, registering a ratio of 2.98.
- The zenith fixed assets turnover ratio occurred in 2019-2020, reflecting effective asset deployment for sales generation, scoring a ratio of 6.82.
- The pinnacle return on fixed assets was observed in 2018-2019, showcasing profitable asset usage concerning total assets, yielding a ratio of 0.0745.
- The acme ROI was noted in 2022, signaling significant returns compared to the investment cost, boasting a ratio of 12.03 .
- The peak asset to sales ratio surfaced in 2023, suggestion optimal asset utilization for sales revenue, searching a ratio of 2.98 .
- The highest residual value emerged in 2022-2023, registering a residual value of rupees 1,829,235, indicative of the asset's estimated worth at the end of its useful life.

3.2 SUGGESTIONS

- Given the highest asset turnover ratio in 2022-2023, the company may focus on further enhancing asset utilization efficiency to maximize revenue generation.
- With the peak ROI observed in 2022, the company can consider allocating resources strategically,

prioritizing investments that offer higher returns to boost overall profitability.

- Since the highest depreciation value occurred in 2022-2023, the company can implement proactive asset management strategies to mitigate depreciation costs and preserve asset value.
- Considering the highest return on fixed assets in 2018-2019, efforts can be directed towards replicating the factors contributing to this success to improve profitability in subsequent years.
- The highest residual value observed in 2022-2023, the company can engage in long-term asset planning, considering factors such as depreciation rates and residual values to make informed decisions regarding asset acquisitions and retirements.

3.3 CONCLUSION

The data presented is evident that the company has experienced fluctuations in various financial metrics over the past years. It seen highs and lows in asset turnover, return on investment, and profitability. These insights provide us with valuable guidance for future decision-making. By focusing on optimizing asset utilization, making strategic investments, and enhancing asset management practices, we can work towards sustaining long-term growth and prosperity. It's essential to learn from our successes and challenges alike, guiding us towards a brighter and more resilient future for our company.
"In conclusion, the analysis of fixed asset management has revealed several important insights. Firstly, there is evidence of inefficiencies in tracking and maintenance processes, leading to discrepancies between recorded and actual asset values. These discrepancies can distort financial reporting and hinder decision-making.

Secondly, there is room for improvement in asset utilization. Many assets are underutilized or idle, representing missed opportunities for generating revenue or cost savings. Optimizing asset utilization through better scheduling and allocation can yield significant benefits.

Thirdly, there are gaps in asset maintenance practices, resulting in premature asset deterioration and higher repair costs. Implementing preventive maintenance programs and leveraging technology for predictive maintenance can mitigate these issues and prolong asset lifespan.

Lastly, there is a need for enhanced data visibility and integration across departments. Siloed data and manual processes contribute to inefficiencies and errors. Investing in integrated asset management systems can streamline operations and improve decision-making

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