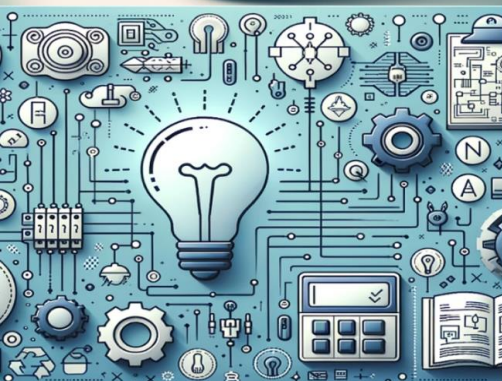# International Journal of Multidisciplinary
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A Study on Fixed Assets Management towards Bull Machines Pvt. Ltd, Coimbatore

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ABSTRACT: Fixed asset management is the process of tracking and maintaining an organization's physical assets and equipment. Organizations frequently use barcodes, QR codes, or RFID to help track their assets as they are easy to scan and to use with mobile devices. Types of assets include vehicles, computers, furniture and machinery. This paper examines management of fixed assets management towards Bull Machines Pvt. Ltd, Coimbatore during from 2019-2020 to 2023-2024. The main objective is, to understand the problems involved in maintaining and managing assets and liabilities. The present study has been conducted on the basis of secondary data and is descriptive in its nature. The research design utilized in this study is analytical research. The study period was confined to a period of five financial years from 2019-2020 to 2023-2024. The required secondary data for the study was collected through different websites, annual reports of Bull Machines Pvt. Ltd, Coimbatore and different journals. To make the analysis meaningful advanced statistical tools like – Ratios and percentages were applied. The major findings are Fixed assets as a percentage of current liabilities is 138.2% in the year of 2020. It has increased to 170.6% in the year of 2021. It has decreased to 60.5% and 39.4% in the year of 2022 and 2023 respectively. It is suggested that conduct periodic audits to ensure compliance with accounting standards and regulatory requirements for fixed assets. It is concluded that the company faces both challenges and opportunities in optimizing its utilization of fixed assets. The fluctuating trends in asset turnover ratios, return on assets, and depreciation expenses highlight the need for the company to streamline its asset utilization processes and implement cost-saving measures effectively.

KEYWORDS: Fixed Assets Management, Generating revenue, profitability and Total fixed asset base.

I. INTRODUCTION

Fixed assets normally have a long asset lifecycle. Investopedia offers a great definition: "A fixed asset is a long-term tangible piece of property or equipment that a firm owns and uses in its operations to generate income. Fixed assets are not expected to be consumed or converted into cash within a year. Fixed assets most commonly appear on the balance sheet as property, plant, and equipment (PP&E). They are also referred to as capital assets."

The operational procedures of fixed asset management are designed to maximize income and efficiency through the optimal utilization of fixed assets. Usually, this entails maintaining a central registry of all fixed assets, along with the date of installation and the anticipated lifespan. Information on warranties, maintenance schedules and manuals, and service records that include repairs and upgrades should all be included in an asset record. In order to maintain appropriate supervision and prevent theft, it could also entail monitoring the whereabouts of fixed assets.

Physical and insubstantial assets are the two primary categories of assets. Even if intangible assets are not typically regarded as a component of the fixed asset management process, it is nevertheless necessary to draw attention to the distinctions in order to obtain a comprehensive understanding of asset management.

II. STATEMENT OF THE PROBLEM

Any corporation must manage its fixed assets effectively, yet many businesses struggle greatly in this area. Financial inconsistencies and operational inefficiencies are frequently caused by problems including imprecise record-keeping, improper maintenance, incorrect depreciation estimates, and illegal asset use. The management process is made more difficult by subpar tracking systems and improper disposal techniques, which raise the possibility of financial losses

and regulatory issues. Without a systematic strategy, businesses may face challenges with capital misallocation, unforeseen equipment problems, and asset value, all of which can impede overall business growth.

By raising operating expenses, decreasing productivity, and compromising financial stability, inefficient fixed asset management has a detrimental influence on organizational performance. Asset mismanagement may cause workflow disruptions and project schedule delays by resulting in needless repairs and replacements. The accuracy of financial reporting may also be impacted by an inadequate management system, which may result in problems with compliance and possible fines. Long-term financial sustainability is ensured, cost control is improved, and asset usage is optimized via the use of efficient asset management solutions. By recognizing current issues and suggesting solutions to increase effectiveness, this research helps to improve asset management procedures, which in turn supports the expansion and stability of the company.

Objectives Of The Study
➢ To measure the efficiency of utilizing fixed assets in generating revenue
➢ To evaluate the profitability of the company relative to its total fixed asset base
➢ To understand the proportion of fixed asset in the company
➢ To ascertain the trends in investment in fixed assets over the time period

III. REVIEW OF LITERATURE

Reddy and Dudekula (2019) carried out a research on fixed asset management with an emphasis on buildings and assets that are difficult to convert into cash. For assets like property, plant, and equipment—which are necessary for a business's operations but are not meant for quick sale—accurate record-keeping is crucial, according to the research. The research underlined that in order to comply with reporting and accounting standards, fixed assets must be properly documented and monitored from acquisition to disposal. Effective fixed asset management, according to the authors, guarantees improved resource control and utilization, which enhances an organization's overall financial well-being.

Siregar et al. (2020) examined fixed asset management's efficacy and efficiency in a government office environment. The purpose of the study was to evaluate how well assets were handled to further organizational goals. Using a descriptive approach and a sample size that included a range of departmental resources, the study focused on the Binjai District Office in Langkat Regency. The results showed inefficiencies as a result of inadequate asset management procedures. To improve management effectiveness, the authors recommended putting in place regular assessments and rigorous asset tracking. According to the study's findings, accomplishing organizational objectives requires efficient asset management.

Liu (2021) examined how artificial intelligence (AI) may be incorporated into fixed asset organization with a particular emphasis on predictive maintenance and data analytics. The purpose of the study was to evaluate how AI-driven data analytics may enhance maintenance procedures and asset usage. Organizations using AI in asset management were included in the study. In terms of methodology, the study examined real-world case studies and carried out an extensive literature analysis. Results showed that integrating AI improves asset management procedures by enabling proactive maintenance and offering profound insights. According to the report, implementing AI technology might transform traditional asset management techniques. To sum up, asset management techniques that use AI have the potential to significantly improve organizational performance.

IV. RESEARCH METHODOLOGY

Bull Machines Pvt. Ltd., Coimbatore is the study area of this study. In this study, a descriptive research design is employed. Secondary data was employed in this investigation. The balance sheet and loss and profit statements of Bull Machines Pvt. Ltd., Coimbatore, from the last five years, from 2019–2020 to 2023–2024, were used in this study. Convenience sampling can be utilized in exploratory research or when access to certain financial data is restricted, even if it is not the best option for simplification. The following statistical methods were employed in the study, and the gathered data was examined in light of each of the particular goals. Ratio Analysis has been used at statistical tools.

V. DATA ANALYSIS AND INTERPRETATION

Interpretation

TABLE NO: 4.1			
TOTAL ASSET TURNOVER RATIO			
Year	**Net Sales**	**Total Assets**	**Ratio**
2020	523.11	430.72	1.21
2021	356.95	410.23	0.87
2022	886.99	382.66	2.32
2023	1,124.06	440.59	2.55
2024	923.36	433.98	2.13

Source : Annual report

From the above table conveys that total asset turnover ratio is 1.21in the year of 2020. It has decreased to 0.87 in the year of 2021. It has increased to 2.32 and 2.55 in the year of 2022and 2023 respectively. It has decreased to 2.13 in the year of 2024.

TABLE NO: 4.2			
FIXED ASSET TURNOVER RATIO			
Year	**Net Sales**	**Fixed Assets**	**Ratio**
2020	523.11	147.45	3.55
2021	356.95	149.46	2.39
2022	886.99	143.35	6.19
2023	1,124.06	140.75	7.99
2024	923.36	144.79	6.38

Source : Annual report

Interpretation

From the above table conveys that fixed asset turnover ratio is 3.55 in the year of 2020. It has decreased to 2.39 in the year of 2021. It has increased to 6.19 and 7.99 in the year of 2022 and 2023 respectively. It has decreased to 6.38 in the year of 2024.

TABLE NO: 4.4			
RETURN ON TOTAL FIXED ASSETS			
Year	**Net profit**	**Total Fixed Assets**	**Ratio**
2020	31.43	147.45	0.21
2021	-20.42	149.46	-0.14
2022	61.17	143.35	0.43
2023	55.59	140.75	0.39
2024	23.99	144.79	0.17

Source : Annual report

Interpretation

From the above table conveys that return on total fixed assets is 0.21in the year of 2020. It has decreased to -0.14 in the year of 2021. It has increased to 0.43 in the year of 2022. It has decreased to 0.39 and 0.17 in the year of 2023 and 2024 respectively.

TREND ANALYSIS ON INVESTMENT ON FIXED ASSET
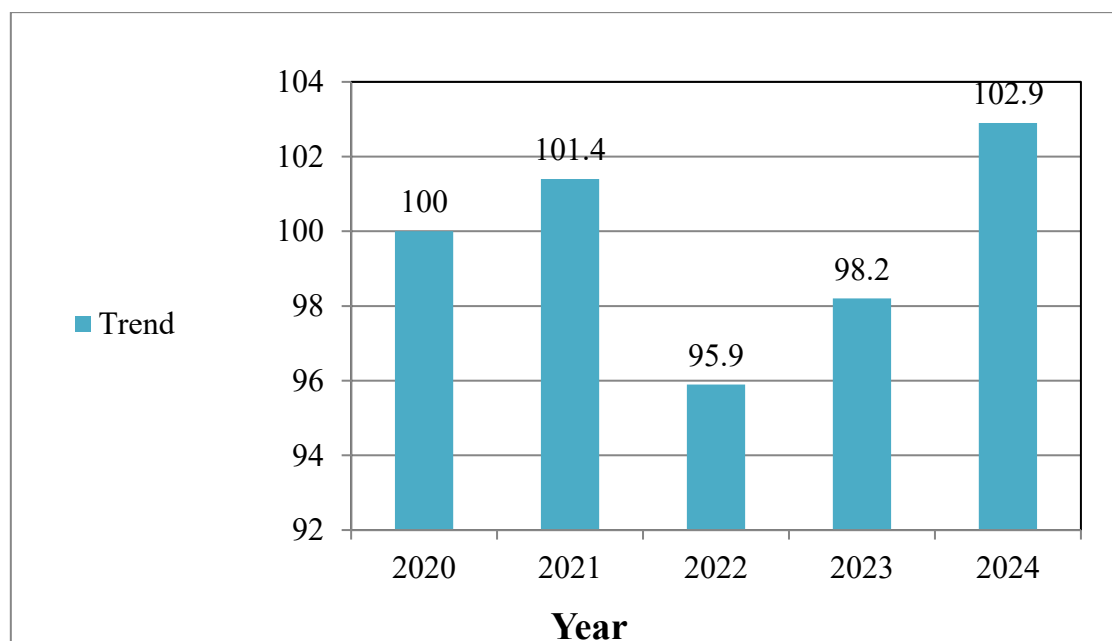
Interpretation

From the above table conveys that trend analysis on investment on fixed asset is 100 in the year of 2020. It has increased to 101.4 in the year of 2021. It has decreased to 95.9 in the year of 2022 respectively. It has increased to 98.2 and 102.9 in the year of 2023 and 2024.

VI. SUGGESTIONS

- The company needs to optimize asset allocation to improve efficiency.
- It should focus on implementing cost-saving measures to enhance profitability.
- Consider exploring alternative depreciation methods to better manage expenses.
- There is a necessity to rebalance the capital structure to ensure financial stability.
- The company should align fixed asset composition with its long-term strategic goals.
- It must evaluate the effectiveness of investments in fixed assets to maximize returns.
- There is a need to establish robust financial monitoring systems for better control.
- Consider exploring technological solutions to streamline asset management processes.
- Regularly assess the condition of fixed assets and prioritize maintenance and repairs to prolong their lifespan.
- Conduct periodic audits to ensure compliance with accounting standards and regulatory requirements for fixed assets.
- Regularly benchmark fixed asset management practices against industry peers to identify areas for improvement and best practices implementation.

VII. CONCLUSION

In conclusion, based on the analysis of various ratios and trends related to fixed asset management, it is concluded that the company faces both challenges and opportunities in optimizing its utilization of fixed assets. The fluctuating trends in asset turnover ratios, return on assets, and depreciation expenses highlight the need for the company to streamline its asset utilization processes and implement cost-saving measures effectively. Moreover, the shifts in fixed asset composition and investment trends underscore the importance of aligning asset management strategies with long-term strategic goals. To address these challenges, the company must focus on optimizing asset allocation, enhancing profitability, and ensuring compliance with regulatory requirements. Additionally, investing in technology-driven solutions and employee training can further improve efficiency and effectiveness in managing fixed assets. By adopting a proactive approach and implementing the recommended strategies, the company can strengthen its fixed asset management practices and drive sustainable growth in the long run.

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