

## A STUDY ON INVENTORY MANAGEMENT WITH REFERENCE TO LEADING AUTOMOBILE INDUSTRY

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### ABSTRACT

This project was undertaken to analyze the inventory management of Ashok Leyland Ltd. It included the complete study to conduct Ratio Analysis, ABC and VED Analysis for inventory. This deals about the entire activities of purchase and stores department to suggest the suitable technique to the company to have improved control over the inventory. It was found that in the firm's master data was not maintained properly on SAP which was the major reason behind the unmatched sets of parts and excess buying of materials. Also it was found that due to this the production process was affected in the company. It was suggested that the management of the plant should incorporate Total Quality Management, particularly in all departments of production to ensure better sales and reduce the inventory of finished products. While ABC Analysis has shown that the management must have more control on C items than that on A & B items, because C class constitutes more of higher in numbers. This is done through maintaining low safety stock levels, continuous check on schedules & ordered frequently in inventories, in order to avoid over investment of working capital.

**KEYWORDS:** Total Quality Management, SAP, ABC Analysis, VED Analysis