

**AN INTERNSHIP REPORT ON
“KARNATAKA SOAPS AND DETERGENTS LIMITED”**

Submitted by

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4AL21BA104

Submitted to



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MASTER OF BUSINESS ADMINISTRATION

Under the guidance

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ಕರ್ನಾಟಕ ಸಾಬೂನು ಮತ್ತು ಮಾರ್ಜಕ ನಿಯಮಿತ, ಬೆಂಗಳೂರು-55

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ಪ್ರಮಾಣ ಪತ್ರ

ಕು|| ವರ್ಷಿಣಿ ಬಿ.ಎಸ್, ಎಂ.ಬಿ.ಎ. ವಿದ್ಯಾರ್ಥಿ, ನೋಂದಣಿ ಸಂಖ್ಯೆ: 4AL21BA104, ಆಕ್ಟಾ'ಸ್ ಇನ್‌ಸ್ಟಿಟ್ಯೂಟ್ ಆಫ್ ಇಂಜಿನಿಯರಿಂಗ್ & ಟೆಕ್ನಾಲಜಿ, ಶೋಭವನ ಕ್ಯಾಂಪಸ್, ಮಿಜ್ಜರ್, ಮೂಡಬದಿರೆ-574225, ಇವರು ಕರ್ನಾಟಕ ಸಾಬೂನು ಮತ್ತು ಮಾರ್ಜಕ ನಿಯಮಿತದ ಬೆಂಗಳೂರು ಸಂಕೀರ್ಣದಲ್ಲಿ "A Study on Organizational Study" ವಿಷಯದಲ್ಲಿ ದಿನಾಂಕ: 20.10.2022 ರಿಂದ 21.11.2022 ರವರೆಗೆ ಇಂಟರ್ನ್‌ಶಿಪ್ ಅಧ್ಯಯನವನ್ನು ಯಶಸ್ವಿಯಾಗಿ ಪೂರೈಸಿರುತ್ತಾರೆಂದು ಪ್ರಮಾಣೀಕರಿಸಲಾಗಿದೆ.

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CERTIFICATE

This is to certify that **VARSHINI B S** bearing USN **4AL21BA104**, is a bonafide student of Master of Business Administration program of the Institute (2021-23) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "**KARNATAKA SOAPS AND DETERGENTS LIMITED., BANGALORE**" is prepared by her under the guidance of **Dr. Vishnu Prasanna K N**, Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

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DECLARATION

I Varshini B S hereby declare that this organisation study Report on Karnataka Soap and Detergent Limited is prepared by me under the guidance of **Dr.Vishnu Prasanna K N**, Department of Business Administration, Alva's Institute of Engineering & Technology Shobha Vana campus Mijar, Moodbidri.

I also declare that this organisation study is towards the partial of the university regulation for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi.

I have undergone an organisation study for a period Four weeks. I further declare that the organisation study is based on the original study undertaken by me and not been submitted for the award of any degree from any other University/Institution.

Date : 23/11/2022

VARSHINI BS

Place: Moodbidri

4AL21BA104

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Finally, I thank my friends for their valuable suggestions offered to me to complete this study successfully.

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Date: 23/11/2022

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EXECUTIVE SUMMARY:

The main objective or purpose of the study is to know Karnataka soaps and detergents limited company in more depth. How the company is doing its manufacturing, distribution and selling processes, pros and cons of the selected company. KS&DL is 1st largest producer of sandal soaps in the India. In the year 1918 the company came into existence under the name **Government Soap Factory**. Shri.S.G.Shastry a science student went to UK for the higher studies in Oil Technology. After returning to India, he conducted several experiments. He evolved with a soap perfume blend using sandalwood oil as the main base to manufacture the toilet soap and thus the famous '**Mysore Sandal Soap**' took birth in the year 1918. The factory started functioning in its new premises from 1st July 1957. From this year onwards till date the factory has never looked back and it has achieved growth and development in production, sales and profits. The initially named Government Soaps Factory was renamed as Karnataka Soaps and Detergents Limited on 1st October 1980. the information collected for this study is from both primary and secondary sources like taking information from external guides, company websites ,records ,articles ,etc.

This report shows clear picture of the company. This executive summary is short detailed information about the whole report of the company. At the beginning I have gathered information of establishment of Soap industry, how the soap industry plays a major role in India and top one sandalwood soap industries in India. And next coming to the chapter 1 company profile of Karnataka soaps and detergent limited which includes history of the selected company how it got started, regarding organization profile of the company, what are its vision, mission, quality policies, work flow model of the company, product profile that what are products are there in the soap manufacturing sector, ownership pattern which shows the share holding pattern of the company, achievements that company have made and what is the future of the company in the soap manufacturing sector all these information's are collected through primary and secondary sources.

Later I have collected information regarding the porter's 5 force model who it is implemented in the company, McKinsey's 7s model of the company. SWOT analysis of the company that is what the strength, weakness, threats and opportunities of the company are in the soap manufacturing sector through necessary data available through company hand books and online. And at the last analysis of financial statements of the company which shows the 4 years financial statement of the company all these are collected through secondary sources (company books).

CHAPTER-1

INTRODUCTION ABOUT THE ORGANIZATION &INDUSTRY

1.1 INTRODUCTION TO SOAP INDUSTRY: -

Mankind knew about soaps nearly 2000 years back that is in 70 A.D. Mr. Elder accidentally discovered the soap, when roasted meat over flowed on the glow in ashes, resulting in clay mixture found to make cleaning easier. In 1192 A.D the first commercial batch of soaps was made and marketed by M/s Bristol in London. The first patent for producing soap was obtained in London in the year 1662 AD.

Soap is one of the commodities which have become an essential part of the life of modern invention world. Since it is ephemeral consumer goods, there is a large market for it. The whole soap industry is experiencing changes due to countless reason such as government relations, Environment, toxicological allergy problems increase in cost of raw materials etc.

Soaps are categorized into three types such as men's soaps, ladies soaps and common soaps. There are few specialties soap like glycerine soaps, Sandal Soaps, especially flavoured soaps, medicated soaps and baby soaps. With the household penetration of soaps nearly 100%. Different income levels of people use different brands, which fall under different segments but all income levels use soaps making it the largest category.

Due to environmental changes like changing in technology and existing desire by the individuals, organization produce more economical rate of soaps. More soap manufacturers are trying to capture market share by introducing new products and maintaining bearable products.

1.2 History of Indian Soap Industry:

During the British rule Lever Brothers, England introduced modern soaps by importing and marketing them in the country. The first business established was North West Soap Company, an Indian soap production facility located in Meerut, Uttar Pradesh. They began selling cold process soaps in 1897.

In 1918, Mr. Jamshedji Tata set up India's first indigenous soap manufacturing unit when he purchases the coconut oil mills at cochin Kerala and during the same time in 1918 Government soap factory was started by Maharaja of Mysore in Bangalore.

The Indian soap industry has been overpowered by a bunch of organizations like:

1. Hindustan Unilever Limited
2. Tata Oil Factories (Taken over by HLL)

3. Godrej Soaps Private Limited Later participants include- Colgate Palmolive Ltd., Procter and Gamble Ltd., Nirma Soap works, Wipro Ltd.

1.3 Present Status Size of industry:

One of the world's biggest producers of soaps and detergents is India. The Indian soap market stood at value of around INR 195 billion in 2020 and US\$ 2694 million in 2021. Looking forward, market to reach value of US \$3973 million by 2027, exhibiting a CAGR of 6.53% during 2022-2027.

The rising population, significant economic expansion, rapid industrialization and evolving lifestyles are some factors driving the Indian soap market. Others factors are:

1. The inflating income levels,
2. The shifting preference toward value added products,
3. The develop eco-friendly products, etc.

Current soap market has categorized into different segmentation based on product type, form, and distribution channel.

- Product type-premium products, mass products
- Form- solid soaps, liquid soaps
- Distribution channel- supermarket and hypermarkets, convenience stores, pharmacies, specialty stores, online.

1.4 Major players:

The most prominent and dominated Indian soaps companies are:

1. Godrej consumer products Limited,
2. RB Health,
3. Wipro consumer care,
4. ITC Limited,
5. Hindustan Unilever

1.5 Introduction of organization:

Ivory, silk, sandalwood, and precious stones have been prized for generations in India, a country rich in forests. With a twist of sandal, the most alluring fragrances in the world gained their unique magic. The richest supply of sandalwood in the world is found in Karnataka, a remote region of forests in south India.

The Mysore sandal soaps are made with sandalwood oil, which is known as "Liquid Gold" and comes from the Karnataka region. Sandalwood oil is the fragrant ambassador of India.

This situation helps to rise to start of an industry, which produces value added products i.e., of sandalwood oil. His Highness Maharaja of Mysore use this situation as an opportunity by sowing the seed of the government sandalwood oil Factory, which is present KS&DL. Late Sir M. Visvesvaraya, the great Engineer who was the man behind this project.

So, sale Garalapury Sastry was an Indian industrial chemist known for his work on the manufacture of sandalwood soap through the establishment of the Mysore soap factory in Bangalore. This earned him the nickname of Soap Sastry.

CHAPTER – 2
ORGANIZATION PROFILE

COMPANY PROFILE

Mysore Sandal Soap is a brand of soap manufactured by Karnataka Soaps and Detergents Limited (KS&DL), a company owned by Government of Karnataka in India. This soap has been manufactured since 1916 when Nalvadi Krishna Raja Wodeyar, the king of Mysore set up the Government Soap Factory in Bangalore. The main motive for setting up the factory was the excessive sandalwood reserves that the Mysore kingdom had which could not be exported to Europe because of the First World War. In 1980, KS&DL was incorporated as a company by merging the Government Soap Factory with Sandal oil factories at Shivamogga and Mysore. Mysore Sandal Soap is the only soap in the world made from 100% pure sandalwood oils owns a property right to use the brand name, to ensure quality and also prevent piracy and unauthorized use by others manufactures. In 2006, Mahindra Singh Dhoni, the Indian cricketer was selected as the first brand ambassador of the Mysore Sandal Soap.

2.1 BACKGROUND OF KSDL COMPANY

Karnataka Soaps and Detergents Limited, a successor to the government soap factory, which is one of the premier factories among the Indian soap industries. After World War 1, there was a slump in the sandalwood export to the west. It dropped a blanked of gloom over business & trading in India. The Maharaja of Mysore turned this thread in to an opportunity, by sowing the budding seeds of KS &DL on the out skirts of Kota Forest, near Bangalore in 1918.

The project took shape with the engineering skill and expertise of a top-level team with the inspection of the Diwan of Mysore Late Sir.M. Visveswaraya & with the service of scientists late Sir S.G. Shastri, Professor Watson & Dr. Sub rough. The entire credit goes to Sir.S.G. Shastri, who improved & made the process prefect of manufacturing of sandalwood oil & world-famous Mysore Sandal Soap.

The factory was started a very small unit near K.R. Circle, Bangalore with the capacity of 100 tons p.a.in 1918. Then, the factory shifted its operations to Rajajinagar industrial area, Bangalore in July 1957. The plant occupies an area of 42 acres (covering soap, detergent &fatty acid divisions) on the Bangalore- Pune Highway easily accessible by transport services and communication. In November 1918, the Mysore Sandal Soap was put into the market after sincere effort & experiments were undertaken to evolve a soap perfume blend using sandalwood oil as the main base to manufacture toilet soap.

2.1.1 RENAMING OF COMPANY

On October 1st 1980, the Government Soap factory was renamed as **“KARNATAKA**

SOAPS AND DETERGENTS LIMITED”. The company was registered as a Public Limited company. Today the company produces varieties of products in toilets Soaps, Detergents, Agarbathis and Talcum powder. KS&DL has been built up with rich tradition for the quality of its products Mysore Sandal Soap is the No:1 anywhere in the world. The Karnataka state is the original home of the Sandal oil, which uses original perfume sandalwood in the manufacturing of Mysore Sandal Soap. It is also known as the **“FRAGRANT AMBASSADOR OF INDIA”**. Trademark of Mysore sandal soap is **“SHARABHA”**.

The carving on the cover is the ‘Sharabha’, the trademark of KS&DL.

The Sharabha is a mythical creature from the puranas that represents the united virtues of intelligence, courage, and strength. It is distinguished by its odd appearance, which combines a lion's body with an elephant's head. It was chosen as the KS&DL official insignia to represent the company's guiding principles. The Sharabha represented a force that purges impurities and flaws. It has been recognized as the official insignia of the Maharaja of Mysore. It quickly gained prominence as the emblem of the government soap plant, representing excellence that embodies the standards of Karnataka Soap &Detergent Limited.

Since its founding, KS&DL has a long history of upholding the highest standards of quality, from the choice of raw materials through the processing and packaging of the finished product. The reasons why its products are in high demand worldwide and frequently exported to South America, Kuwait, Qatar, UAE, and Saudi Arabia. All of KS&DL's toilet soaps are created from raw materials with a vegetable origin and include no animal fats at all.

2.1.2 POLICIES OF KS&DL

1. Seek purchase of goods and services from environment responsible supplier.
2. Communicates its environment policy and best practices to all its employees.
3. Set targets and monitor progress through internal and external audits.
4. Strive to design and develop products, which have friendly environmental impact during manufacturing.
5. Reuse and recycle materials wherever possible and minimize energy consumption and waste.

2.2 NATURE OF BUSINESS

The company “Karnataka Soaps & Detergents Limited”, is a premiere soap manufacturing company based in the state of Karnataka. Its nature of business is basically manufacturing of toiletries including soaps, detergents, incense sticks, talcum powders and the like.

The company is in operation for almost hundred years with a wide range of product portfolios that range from simple soaps to fragrance soaps and detergents. Its product range is tailored to meet the needs of the customers from both the higher and lower income strata of the society. The company believes in the philosophy of carrying on the business not only with the aim of making a profit but also serving the society by being responsible and the same time engage unbusiness that protects its culture.

2.3 VISION, MISSION AND QUALITY POLICY:

2.3.1 VISSON

In order to enhance its functional activities, transparency, and business and to position itself as a competitor in the fast-moving consumer goods market in India as well as to spread its fragrance in the fast-moving consumer goods global market, Karnataka Soaps and Detergents Limited will utilise cutting-edge soap manufacturing technology and information technology.

2.3.2 MISSION

1. KS&DL research centre constant endeavour is continuously working on upgrading the products quality formulation of all the products viz. soaps, Detergents, cosmetics, agarbathis, inducing newer products with the heightened regulatory measures to meet the highest international quality standards with fully integrated product life cycle management ensure the compliance of food and drug administration & Registration Evaluation authorization and Restriction of chemicals.
2. The major thrust of R&D is committed for developing the natural essential oil-based products using the natural sandalwood oil base to achieve the new paradigm of competitiveness, maximize customer satisfaction, to meet the customer requirements and expectations.

2.3.3 OBJECTIVES OF KS&DL

- Promote and hold its photo as an image of traditional products.
- The recognition of Mysore Sandal Soap based on natural sandalwood oil.
- Provide production the most affordable aggressive charge.
- Maintain client loyalty.

2.3.4 Policies of KS&DL:

- ISO 9002 QUALITY POLICY:

KS&DL commits to “customer delight” through Total Quality Management & continues Improvement by involvement of all its employees.

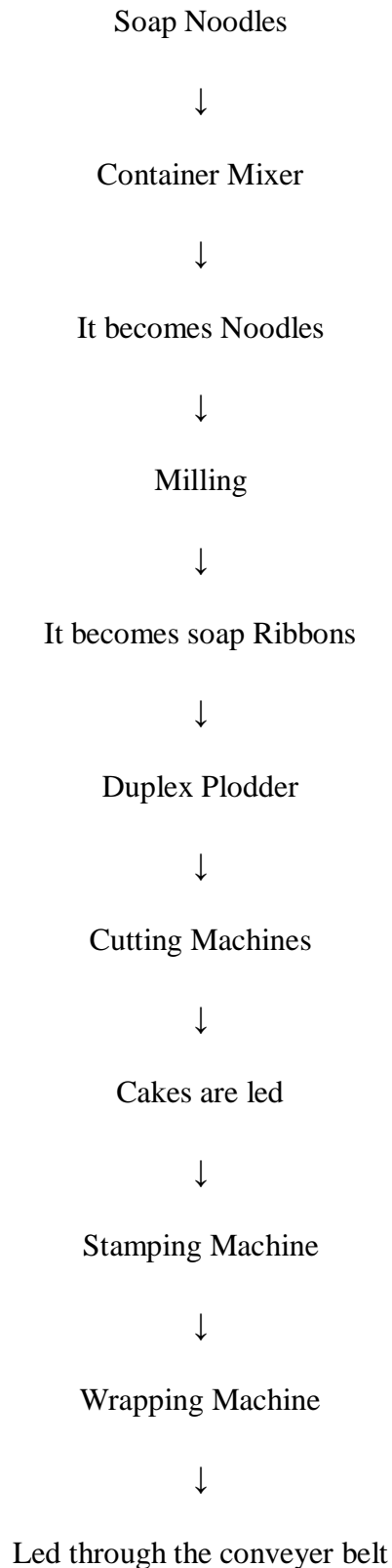
- ISO 14001 ENVIRONMENTAL POLICIES OF KS&DL:

The company is located in the heart of the Bangalore city. The management of the company took a decision to get the ISO-14001 and becomes model to other public sector for the techniques used and also to the other Government units to spread the message of maintenance of environment.

- ISO-14001 and ISO 9001: will facilitate to improve the corporate brands in the global market and it will help the company to improve the profits, year after year on long-term basis. The environment management system adopted in the company through these motives as follows:
 1. Conservation of energy
 2. Conservation of Surrounding
 3. Conservation of resources
- Is committed to preserve the natural environment in the production of its quality products to the satisfaction of its quality products to the satisfaction of its customer.
- Will comply with all statutory & regulatory requirements pertaining to environment stipulation by both state & central authorities. Implement action to reduce all implements that are likely to be a source of concern to the environment.
- Would invite & implement action to reduce all implements that are likely to be a source of concern to the environment.
- Would strive & set an example in production of an eco- friendly environment.
- Is committed to prevent & minimize risks to the environment & conserve natural resources by waging a war against wastes.
- Will motivate every employee of the company in preserving the environment by providing appropriate training.
- Will make available a copy of environment policy, under environment Management system on a written request to its manager (Environment & Policy).

2.4 WORK FLOW MODEL OF KSDL:

Before industries start making soap, look up a recipe. This will help industries to determine not just how much of each ingredient they need or which oils to go for, but also inspire various addition, such as dried roses, coffee, lavender, citrus slices, sandalwood oil. Here are basic things that soap manufacturing industries need:



2.4.1 INGREDIENTS FOR MANUFACTURING SOAPS

- Solid oils (coconut, cocoa and shear butter, etc.)
 - Liquid oils (olive, sunflower, sandal oils, Castrol oil, palm oil)
 - Potassium hydroxide (lye) and Sodium laureate sulphate
 - Distilled water
 - Essential oils
 - Optional: dried herbs, flowers, colorants, sandalwood oil or other variants
1. **Soap Noodles:** The Most Popular Raw Material Used to Make Soap Is Soap Noodles, Which Are Made by Saponifying Vegetable Oils. These Are Cylindrical Extrudes with A White to Cream Tint from A Structural Standpoint After the Soap Noodles Are Broken Down into Smaller Granules. KS&DL Now Not Producing the Soap Noodles, Now It Is Exporting the Soap Noodles from Gujarat, Adani Group.
 2. **Container Mixer:** Soap Noodles Granules and Sandalwood Oil, Glycerin, Distilled Water Put into Container Mixer for Processing.
 3. **Milling:** The Milling Process Involves Mixing These Ingredients Together, And A Natural Chemical Reaction Causes 'Saponification'. This Basically Means It Turns into Soap Ribbons, Which Is Allowed to Dry to Form Crystals.
 4. **Duplex Plodder:** After Saponification Process Soap Ribbons Are Passes to Duplex Vacuum Plodder. Duplex Vacuum Plodder Is a Soap-Making Machine That Is Used to Extrude the Final Soap. Suitable For Stamping, The Machine Comprises of Two Separate Stages in Which the First Stage Is a Refiner and The Second Stage Is an Extruder. The Second Stage, I.E., Extruder Is Used to Produce the Final Bar Shape in A Long Continuous Billet. A Vacuum Chamber That Functions to De-Erate the Soap Connects These Two Stages. An Extruder Is Commonly Called a Plodder in The Soap Manufacturing Industry.
 5. **Cutting Machines:** Soap Cutting Machine Is the Equipment Used in Soap Manufacturing Process to Cut Soap Bars into Desired Lengths, Sizes and Forms. In These Machines, Soap Cutters Are Usually Placed Downstream from A Plodding Machine and The Soap Bars That Come from The Plodder Enter the Cutter and Come into Contact with An Incremental Encoder, Which Sends a Signal to The Cutting System. The Cutting System Provides a Horizontal and Vertical Blade Shift, To Cut Bars into The Specified Lengths and Sizes. The Soap Cutting Machines Are Designed and Manufactured with Two Conveyors for Separate Cutting Unit, Which Are Used to Feed the Soap Bars into The Cutter and Then Carry Them Out of The Cutter.
 6. **Cakes Are Led:** In This Process Cakes Are Ready to Stamping and Packing.

7. **Stamping Machine:** Soap Stamping Die (Mould) (Upper Part and Lower Part) Is Fitted in The Soap-Stamping Machine and Both the Parts (Dies) Movement Up and Down by Rams. The Cake Comes from Soap Cutting Machine Is Put Between Two Dies and Press a Stroke of Peddle and Finally Cake Will Be Stamped and Make Your Branded Final Soap Which Is Now Ready for Packing. Generally, All Type of Soap Shapes Is Possible to Stamp in This Machine. We Will Supply a Set of Final Soap Moulds with This Machine and That Mould Will Be Prepared According to Your Logo, Brand Name Etc. So That Final Soap Will Be as Desired by You. This Machine Is Also Suitable to Stamp Hotel Soap. Generally,

This Machine Is Used for Smaller Capacity of Soap Plant. Buyer Can Also Increase the Number of Machines for Getting More Capacity or In Bigger Capacity Plant.

8. **Wrapping Machine:** The Main Function of The Wrapping Machine Is to Tightly Wrap the Cellophane Outside the Product. The Main Work Flow Is That the Film Is Cut by A Cutter into A Length That Meets the Packaging Requirements. The Products Are Conveyed by A Conveyor, Stacked by The Cylinder, Wrapped, Folded, And Heat-Sealed to Complete the Packing Process.
9. **Led Through the Conveyer Belt:** After completion of packing the products are passed to conveyer belt. The primary use of conveyor belt systems is the movement of products and materials from one area to another safely and efficiently. Within the manufacturing industry, this helps save costs through the automation of processes and labour reduction.

2.4.2 SAFETY PRECAUTIONS IN SOAP MANUFACTURING ORGANIZATION:

The base for most manufacturing soap companies is potassium hydroxide, or lye. On its own, Lye is caustic, and can cause serious skin burns. Although its completely safe once incorporated in the soap, workers of soap manufacturing industries always were protective gear while making soap bars, long sleeve shirts, safety goggles, rubber gloves, and make sure employees, workspace is well ventilated.

○ Service profile.

2.4.3 AREA OF OPERATION

PRODUCTION UNIT	MARKETING BRANCHES AND GODOWNS	EXPORTS
<p>1.BANGALORE (Detergents, toilet soap, cosmetics)</p> <p>2.MYSORE (Sandalwood oil, Agarbathis)</p> <p>3.SHIVAMOGA</p>	<p>1.BANGALORE</p> <p>2.CHENNAI</p> <p>3.HYDERABAD</p> <p>4.MUMBAI</p> <p>5.KOLKATA</p> <p>6.NEW DELHI</p>	<p>1.UNITED ARAB EMIRITES</p> <p>2.USA</p> <p>3.CANADA</p> <p>4.SAUDI ARABIA</p> <p>5.EUROPEAN COUNTRIES</p> <p>6.NEPAL</p> <p>7.SOUTH AFRICA</p> <p>8.SINGAPORE</p> <p>9.AUSTRALIA</p> <p>10.CHINA</p> <p>11.TAIWAN</p> <p>12.BANGLADESH</p> <p>13.SRILANKA</p> <p>14.PAKISTAN</p> <p>15.BAHRAIN</p> <p>16.JAPAN</p> <p>17.MALAYSIA</p> <p>18.IRAK</p> <p>19.HONG KONG</p> <p>20.SOUTH KOREA.</p>

KS&DL are involved in exporting their products from past several years, they are successful in providing quality products and varieties of sandalwood products.

2.5 PRODUCT /SERVICE PROFILE:

KS&DL is the true inheritor of golden legacy of India. Continuing the tradition of excellence for over eight decades, using only the best East Indian Grade Sandalwood oil &Sandalwood soap in the world. The products at KS&DL are the soaps, Detergents, Agarbathies and Sandalwood oil.

2.5.1 Table

PRODUCTS OF KS&DL
<p>TOILET SOAPS</p> <p>DETERGENTS</p> <p>INCENSE STICKS</p> <p>SANDALWOOD OIL</p> <p>TALCUM POWDER</p> <p>LIQUID DETERGENTS</p> <p>8. HANDWASH SANITIZERS</p>

○ Soaps:

2.5.2 Table

Sl. no	Name of the products	Weight of soap in gram	Market price of the product
01	Mysore sandal soap	75 & 125	Rs.56 ,Rs.69
02	Mysore sandal gold soap	75 & 125	Rs.45 and Rs.84
03	Mysore sandal soap-sandal bath tablet	150	Rs.45
04	Mysore Sandal millennium soap	150	Rs.800

05	Mysore sandal classic soap	75	Rs.40
06	Mysore sandal baby soap	75	Rs.45
07	Mysore sandal bath tablet- SJR	3*150	Rs.220
08	Gift pack-3 in 1	3*150	Rs.275
09	Gift pack- 6 in 1	6*150	Rs.470
10	Mysore sandal gold sixer	6*125	Rs.510
11	Mysore rose soap	100	Rs.60
12	Mysore carbolic soap	150	Rs.25
13	Herbal care soap	100	Rs.25
14	Wave soap- Turmeric, Lemon	75	RS.54
15	Sandal Guest tablet	17	RS.5
16	Rose guest tablet	100	RS.75
17	Herbal care guest tablet	100	RS.25

○ **Detergents:**

Sl. no	Products name	Quantity	Market value
01	Point Advanced Liquid detergent	1le	RS.215
02	Mysore sandal detergent cake	150g	RS.12
03	Mysore detergent powder	1 KG	RS.95
04	Mysore sandal kleenol	1 liter	RS.130

○ **Cosmetics:**

Sl.no	Products name	Quantity	Products
01	Mysore sandal face pack	150 gm	RS.300
02	Mysore sandal baby powder	100gm	RS.100
03	Mysore sandal coconut oil	500ml	RS.180
04	Mysore sandal talc powder	100 gm	RS.50
05	Mysore sandal baby massage oil	100 ml	RS.120
06	Mysore sandal massage oil	10 ml	RS .4125

○ **Sandalwood:**

Sl. no	Products name	Quantity	Product
01	Sandalwood oil	30 ml	RS.395
02	Sandalwood billets	100 grams	RS.1500

○ **Agarbathis:**

Sl.no	Products name	Quantity	Products
01	Mysore sandal premium 9	20 sticks	RS.15
02	Mysore sandal regular-9	20 sticks	RS.20
03	Rose regular-9	20 sticks	RS.20
04	Jasmine regular-9	20 sticks	RS.20
05	Sir M.V 100	100 grams	RS.30
06	Nagachampa	20 & 40 sticks	RS.20 & RS.40
07	Mysore sandal Dhoop	20 pieces (pack of 12 box)	RS.350

2.6 OWNERSHIP PATTERN OF KS&DL:

Karnataka Soap and Detergent Limited is a government company which is control and undertaken by Karnataka state government. A government company is a company in which the government or state government holds 51% or more of paid – up capital. Government, also called public enterprise, state enterprise. It works as other companies registered under the companies act.

KS&DL is registered under the companies act 1956 and 2013.

It has a legal entity. It can sue and be sued and can acquire property in its name.

The capital of KS&DL IS wholly provided by Karnataka state government.

It is managed by Board of Directors. All the directors or majority of the directors are appointed by the Karnataka State Government, depending upon extent of private participation.

KS&DL accounting and Audit practices are more like those of private enterprises, and its Auditors are Chartered Accountants appointed by the Karnataka State Government.

All the decision-making power is made by Karnataka State government.

○ ORGANIZATIONAL STRUCTURE OF KS&DL

KS&DL is a manufacturing concern of moderately large size. We can see here functions wise departmentalization. It facilitates effective utilization of man power resources and it is a simple, economical and reasonable organization pattern.

○ MILESTONE OF KS&DL

1961 - Mysore sandalwood oil factory started at Mysore.

1917- Government Soap Factory was started by Maharaja of Mysore Sandal Soap was introduced into the market for the first time.

1932-Toilet soap production capacity was enhanced to 750MTs/Annum.

1944- The second sandalwood oil extraction plant was started in Shivamogga.

1950-The factory output rose to 500M.Tons with following modifications

Renovating the whole premises.

Installing new boiler soap building plant and drying chamber.

1954- Foundation stone was laid by Sir Moksha Gundam Visvesvaraya for establishment of new manufacturing facilities at Rajajinagar, Industrial Suburb, Bangalore and Received License from Government to manufacturing facilities at Rajajinagar, Industrial Suburb, Bangalore and Received License from Government to manufacture 1500 tons of soaps and 75 tons of glycerin per year.

1957-Factory shifted its operation from Cuban pack to Rajajinagar industrial area.

1965- Started exporting its products to various countries.

1967-Celebrated its golden jubilee.

1974- Mysore sales international limited was appointed as the sole selling agent, for marketing its products.

1975-Synthetic detergent plant for manufacturing cake and detergent powder was installed with Italian technology.

1980- On 9th July 1980 the Government Soap Factory was converted into a public sector enterprise and renamed as “Karnataka Soaps and Detergents Limited”.

1981-a) Production capacity was increased to 6,000 tons

b) Rs.5 crore fatty acid plant was installed.

1992-The company registered with the Board for Industries and Financial Reconstruction (BIFR), New Delhi in December for rehabilitation, as the company suffered losses continuously since 1980 at its net worth eroded.

1996- The BIFR approved the rehabilitation scheme in September and company started making profits.

1999-ISO-9002 Certificate for quality assurance in production, installation and servicing.

2000-ISO-14001 Certificate pertaining to environmental management system.

2003-The entire carried forward loss of Rs.98 crores wiped out and in May BIFR, declared the company to be out of its purview. The company is making profit continuously; it is the only state public sector unit that has come out of BIFR.

2004- The ISO-9002 was upgraded to ISO-9001-2004, Quality systems.

2008- Company has introduced Hand wash liquid under the trade name of Herbal had wash and Rose hand wash liquids. Company has also introduced liquid Detergents under the trade name of Kleenol liquid with different variants for floor wash, Dish wash and Automobile wash.

2009- Company has established In- House state of the Art manufacturing facilities for manufacturing Mysore Sandal Talcum Powder. Company has re- introduced the Talcum powder variants with new outlook of containers.

2010-The ISO certification was upgraded to ISO 9001:2008. Company is on progressive growth for the last 10 years by increasing its production and sales volumes. The company turnover has increased from 100 crores during the year 2003 to 200 crores during the year 2010.

2011- The Research and Development Department of the company is in the process of development of the “MILLENNIUM SOAP” new products like super specialty body wash, liquid wash, liquid soap, room fresheners, body spray perfume and pure sandalwood powder in small pouches.

2012- India’s most expensive Mysore Sandal MILLENNIUM SOAP was launched on January 25th worth Rs.720 per soap.

2013- They reached highest turnover and profits (322crore) and Government national award for Excellence Manufacturing Cost in Medium organization category.

2015-Rs.6 crores dividend was paid to Government of Karnataka. The launch of point advance liquid detergent 1000ml, keno liquid detergent comes in pack of 250ml, Mysore sandal body wash 200ml, herbal hand wash, rose hand wash, strawberry hand wash and pineapple hand wash 250ml, the centennial soap was also officially launched in premium category.

2016- The company reached highest gross sales turnover of Rs.476 crores during financial year 2015-16 with an anticipated profit of little more than Rs.60crores. KS&DL completed 100 years since its inception.

2018- KSDL achieved its highest turnover of Rs 521 crores.

2019-KSDL achieved its highest turnover of Rs 672 crores.

2.7 ACHIEVEMENTS OF KSDL

- Government of Karnataka Department of Industries and Commerce. State Export Promotion Advisory Board. “EXPORT AWARD”1974-75.
- Detergents Plants Chemical Bombay has given 1st price for the year 1980-81
- Geographical Indication GI-2005
- ISO 9001-2000 in the year 1999
- ISO 14001-2004 in the year 2000
- Export award for the year 2006-2007 for the excellent in Export markets.
- ICWA National Award for Excellence in Cost Management 2007

- Ratna Award by Chief minister in 2012.

2.8 FUTURE GROWTH AND PROSPECTUS

- Introduction of Sandalwood transparent, herbal transparent soap, made out of 33 essential oil - based perfume, aloe Vera, Vitamin-E etc. as additive and suitable for all type of skin and all seasons.
- Improvement in existing products Mysore Sandal classic improved moisturizers and skin conditions.
- Introduction of Sandalwood powder in 50grams,100 grams to meet the growing demand for religious purpose.
- Introduction of new higher-powdered detergent powder for institutional sales in bulk packaging.
- To attain market leadership
- Introduction of new trade schemes to increase sales.
- Aggressive advertisement and Publicity as part of sales promotion.
- Reduction in distribution expenses.
- Cost-reduction in all areas.
- Instant decision making in certain procurement activities
- Timely introduction and implementation of market driven decision.
- Ensuring effective internal control.

CHAPTER 3

MCKENSY'S FRAMEWORK

3.1 MCKINSEY'S 7 S MODEL

The 7-s model is also called McKinsey 7-s. This is because the two people who developed this model, Tom Peters and Robert Waterman, have been consultants at MCKINSEY'S & Co., The McKinsey 7S model is a changed framework based on a company's design.

The 7-S Framework of McKinsey is a management model that describes seven factors to organizing a company in an integrated and effective way. A combination of these factors helps to determine the way in which the company operates. Every manager should consider all seven of these factors, to be successful implementation of a strategy, large or small. They're all interdependent, so if a company fails to pay proper attention to one of them, this may affect all others as well. Each factor will change their features by adding extra elements.

These above factors are further categorized into HARD S's & SOFT S's.

Hard Ss are:

- Strategy
- Structure
- System

SOFT Ss are:

- Skills
- Shared values
- Staff
- Style

3.1.1 Strategy:

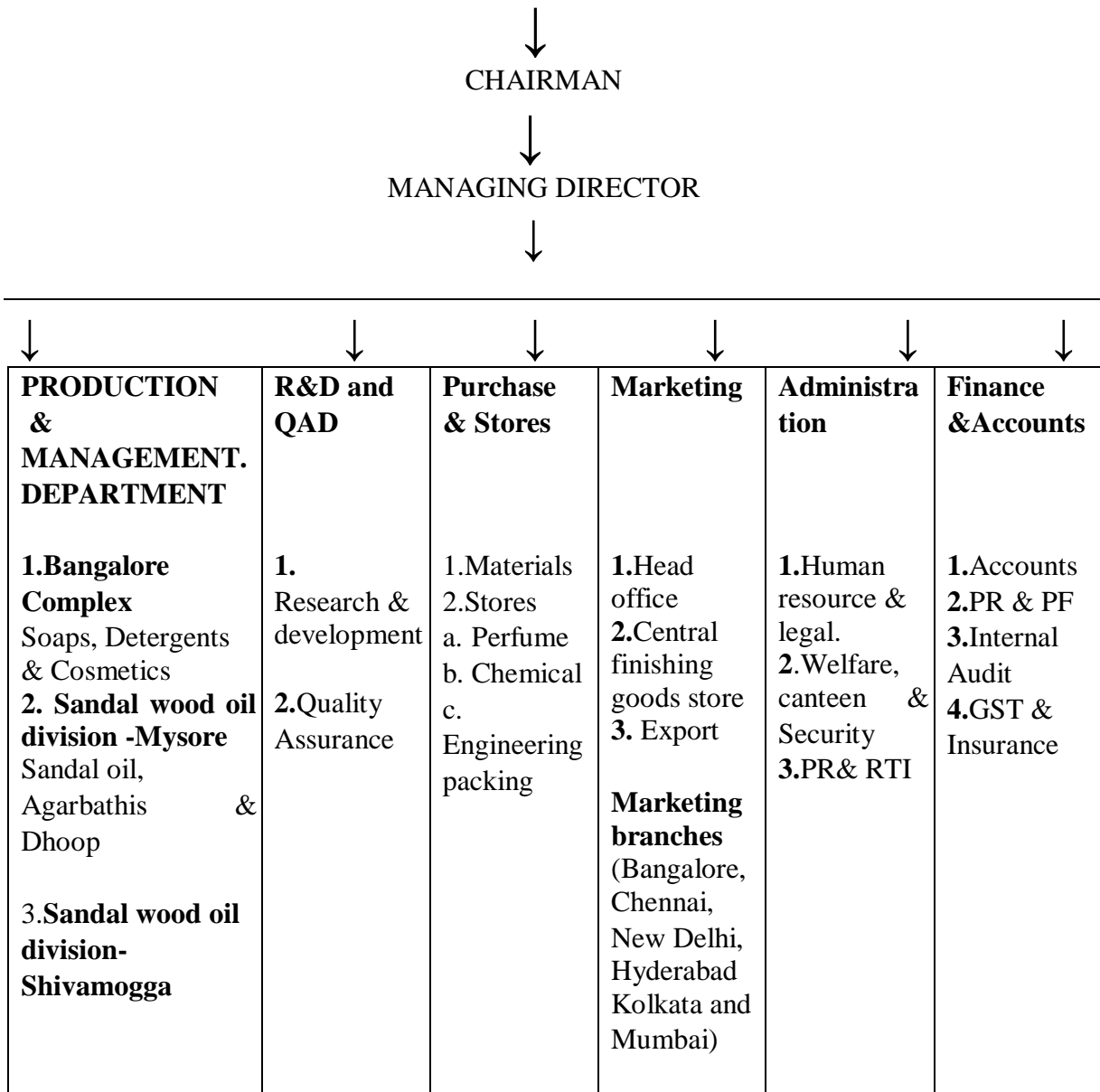
✚ **Corporate strategy** : Top-level management of KS&DL is in charge of developing and laying out the corporate strategy . The corporate strategy of KS&DL is leverage latest soap manufacturing technology and information technology by imbibing professional management techniques to improve its functional activities, transparency, business and to transform itself into a modern, professional organization in the FMCG market in India and also to spread its fragrance in the FMCG global market".

KS&DL adopting cutting edge technology strategy because Cutting-edge technology makes it possible business to revolutionize the way pipeline functions and business stands to save money.

- ✦ **Business strategy:** The business strategy is created and laid out by the senior management of KS&DL. Each department manager brings ideas about how to make their divisions better.
- KS&DL research centre constant endeavour is continuously working on upgrading the products quality formulation of all the products viz. soaps, Detergents, cosmetics, agarbathis, inducing newer products with the heightened regulatory measures to meet the highest international quality standards with fully integrated product life cycle management ensure the compliance of food and drug administration & Registration Evaluation authorization and Restriction of chemicals.
- The major thrust of R&D is committed for developing the natural essential oil-based products using the natural sandalwood oil base to achieve the new paradigm of competitiveness, maximize customer satisfaction, to meet the customer requirements and expectations.
- ✦ **Operational strategy:** It is said that Operations Strategy means adding Value for the Customers of the company. This will reduce product costs to customers, make the product more readily available to the customers on time and as per their desire, provide faster and prompt service to them, provide customers with additional relevant information of the product (its key features and differentiation from near-by competitors) and last but not the least, customize the product to the customer's specific needs. KS&DL has focused on the following operation strategies
- **Customer driven strategy:** To meet the desires and needs of the target customers KS&DL continuously evaluate the changing business environment and adopt it .This helps them enhance core competencies and develop new strengths regularly.
- **Product strategy:** A strategy for product development must aim to deliver a compelling product or service that resonates with customers. But the job involves more than releasing new products. Organizations also need to maintain and upgrade their existing products for those who won't buy the new ones.

3.1.2 Structure:

COMMERCE AND INDUSTRIES DEPARTMENT



KS&DL has line organizational structure, its authority flow from top to bottom i.e., the decisions taken by the top-level management of the company for analysing and taking decisions, the top management will consult the lower level and functional level managers.

- **Chain of command :** The chain of command and each department head has control over their departments .Independent decisions can be taken by line officers because of its unified structure.

- **Inter-Departmental coordination:** KS&DL has high coordination between different departments. The company's departments often form inter-department teams tasks that require multiple expertise. All coordination between different departments is effective and organized . KS&DL has a systematic process for initiating and monitoring coordination between departments to ensure smooth work operations and processes – and goal attainment.

This line organization structure proves beneficial in 2 respects:

1. It reduces internal uncertainty pertaining to the functioning and control of organizational activities.
2. To elaborate, since it clearly determines who reports to whom, the control, delegation of authority, accountability is greatly facilitated.

The KS&DL department consists of production, quality assurance, materials, human resources, quality control, stores, Finance, marketing and research & development departments.

2.4.4 Systems:

- **Organizational systems in place:** Karnataka soaps and detergent limited has both formal and informal systems in place to ensure that the business operations are managed effectively and that there are no conflicts or disputes. The systems at KS&DL are largely departmental in nature.

The KS&DL use the following systems:

- **Controls for systems:** Both formal and informal system at KS&DL has especially designed tools and methods as controls for evaluating performance and goal attainment. These controls and measures are designed specifically in different departments based on the nature of their tasks and responsibilities. Moreover, each department also designs specific controls for members for performance evaluation, as well as for interdepartmental tasks and responsibilities.
- **Monitoring and evaluating controls:** KS&DL continually evaluate its systems through the designed controls. This monitoring of the performance is continual and ongoing. This is largely done through observation and informal discussions. Feedback to employees and overall department heads is informally given regularly as and when is required. Formal evaluation of performance is also conducted semi-annually – or quarterly, depending on the need and the urgency.

- **Inventory management system:** Just in time and original equipment manufacturer for smooth flow of production. FIFO method for issuing materials and computerized accounting system for stores.
- **Human resource management:** services (provided by the Government of Karnataka), a time rate system followed for employees and the government fixes the remuneration to executives.
- **Performance appraisal system:** Confidential report is prepared by heads of various departments for systematic judgement of their subordinates by authorities to assess the standard of work and overall performance.
- **Accounting system:** Financial statements are prepared under the historical cost convention on an accrual basis. And comply with the accounting standards, refer to sec 211(3c) of the companies act.1956.Accounting packages (online marketing and Tally 9.3 version)

3.1.4 Skills:

Employee skills are very important to organizational growth, they must be unique in every employee base on their experience and different working culture. The right skilled personnel are placed across the organization. The skill level of the employees is constantly upgraded through various training programs. The skills of employees are constantly upgraded to suit the needs of the changing technology.

○ Employee skills:

1. Top level management- Conceptual skills, leadership skills, problem solving skills, communication skills, designing skills.
2. Middle level management-Decision making skills, technical skills, communication skills, presentation skills, interpersonal skills, Grievance Handling skills.
3. Lower-level management-Communication skills, customer handling, trouble shooting, technical skills.

○ **Skill management :** KS&DL pays particular attention to enhancing the skills and capacities of its employees(especially lower-level employees). It arranges regular training functions– internally as well as externally managed- to provide growth and development opportunities for its employees.

3.1.5 Shared values:

Shared value considers the social dimension of a company the relationship between its people, assets, products, services, investments and systems to external stakeholder groups such as communities, suppliers (and suppliers of suppliers), customers and regulators. It acknowledges that employees are also community members who benefit from social value created outside of the workplace.

The shared values of KS&DL are as follows:

1. **Product and service innovation:** creating new products and services for existing or new markets based on collaboration with customers and community stakeholders to understand societal needs.
2. **Value chain re-engineering:** working with communities, suppliers and employees to improve processes, quality, sustainability and competitive advantage.
3. **Local cluster development :** Facilitating the clustering and sustainable development of the market and geographic environments in which the company operates.
4. **social (societal) value:** KS&DL social value can take the form of (but is not limited to) improved health, education, access, community participation and employment.
5. **Economic value :** Economic value can take the form of increased financial returns, brand equity, market share, consistency of supply (lower risks) as well as more loyal employees, customers.

3.1.6. Staff:

Number of employees

GROUPS	BANGALORE	SOD MYSORE	DUTYPAID GODOWN SHIMOGA	MARKETING BRANCHES	TOTAL
EXECUTIVES	38	04	01	23	66
NON- EXECUTIVES	145	17	04	08	174
TOTAL	183	21	05	31	240

(Table consist of permanent employees only)

✦ **Gaps in required capabilities and capacities:**

Staff requirements are designed to ensure that those on board have the primary focus on customer service with a high level of product and process knowledge and operation excellence. The training programs are designed to be conducted on a regular basis to ensure that levels are continually enhanced by feedback for continuous improvement.

✦ **Fringe benefits payable to employees:** Shift allowance, Annual bonus, House Building Advance, Festival and National Holidays, Death Relief fund.

✦ **KS&DL has formulated the following HR policies:**

1. Career development plan and promotion rules for officers.
2. Time bond advancement scheme for unionized employees.
3. Standing orders applicable to unionized employees.
4. Medical attendance rules
5. Leave rules with encasement benefit.
6. Education advance
7. Festival advance and annual increment.

3.1.7. Styles

Here style means that company employees share a common way of thinking and behaving .

Also, it refers to the style of leadership of management.

✦ **Management/leadership style**

The style of management at KS&DL is participative style. The management of KS&DL is completely employee oriented. Workers provide feedback to management and, based on that, they make the right decision .It believes that with the participation and involvement of all the company's objective can be successfully met.

The employees participate through suggestions scheme policy and provide their valuable suggestions.

✦ **Effectiveness of leadership style**

The participative leadership style is highly effective in achieving the business goals and vision of the organization. Employees feel to be active members of the organization who are valued for their suggestions, feedback, and input. Moreover, through participative leadership, leaders and managers are able to identify current and potential

conflicts within the Karnataka soaps and detergents Limited organization, and actively work to resolve them as soon as possible.

3.2 Porter's five force Model

Porter's 5 force model means that defines and analyses five forces of competitive that shape every business organization and help to determine the strengths and weaknesses of the company. This Porter's five force model is named after Michel E. Porter, professor of Harvard Business School. Porter's five force analysis is an important tool for understanding the forces identifies the competition within the organization.

✦ The bargaining power of buyers/ customers:

Indian consumers have a wide range of options, and each person's preference is unique. Customers have access to more replacement products, there is less product differentiation between replacement products than there is with KS&DL, and replacement products are simple to buy. The customer's bargaining power also grows if there are several alternatives available in the market. As a result, KS&DL offers its consumers the highest-quality items.

✦ Threats of substitutes product:

The threat of substitutes product is high. There are many substitutes available for the products in the industry KS&DL operates. Substitute products are relatively cheaper compared to KS&DL products, and it increases the risk of consumers going for the attractive low-price substitute.

✦ **Bargaining power of suppliers:** Manufacturers' suppliers have virtually little negotiating power. The sandal wood is produced by a small number of producers, and they are the only or one of the few suppliers to provide KS&DL with that specific material. Transferring from one supplier to another is expensive for a business. Karnataka Limited edition soaps and detergents are mostly dependent on suppliers for production and packaging ingredients. Due to government constraints, suppliers can only deliver materials to KS&DL, giving them very little negotiating power.

✦ Rivalry among existing competitors:

As there is high level of competition in soap and detergents industry. The amount of rivalry among competitors in India is high. Godrej is the market leader which has an

overall market share of 50%. The remaining shares are taken by HUL, ITC Limited and The Himalaya drug company, Wipro enterprises, others.

‡ **Threat of new entrants:**

In the markets, capital and expertise needs to setup a soaps or detergents soaps manufacturing facility would be a big barrier to entry to prevent many new entrants from setting up. Huge capital is required to establish manufacturing units which results in high fixed costs. The existing players have wide spread dealers' network across the India. For the production of sandalwood soaps, there is heavy restriction from the government. Especially in Karnataka, suppliers of sandalwood do supply only to KS&DL. Suppliers do not sell their materials to any private firms. Therefore, the threat of new entrants is thus low.

CHAPTER-4
SWOT ANALYSIS

4.1 Strengths:

1. The factory is located in the centre of the city

- Adequate raw materials are available
- Skilled labourers and employees are easily available in large quantities whereas in rural areas unskilled labour is available.
- A good transportation and communication infrastructure is in place. Goods can be easily transferred from one place to another.
- A good market exists for the final goods to be marketed. Demand for the goods is readily available. Less money has to be spent on creating demand among consumers.

2. It is fully owned by the government of Karnataka

- KS&DL is government company ,so in times of financial crisis it can easily get financial support from the government.
- A government company has full autonomy in doing its business operations and in all business decisions. It can take any decisions which is favourable for the company for its effective growth.
- These companies are able to control the market and reduce unhealthy business practices by providing goods and services at reasonable prices.

3. Less competition for its major products: sandal soap.

- When there is less rivalry, there will be more demand for the product, which can help the company gain market dominance and profit.
- Raw materials are more affordable when there is less competition.

4. Good dealership Network:

- KS&DL has a wide distribution network that reaches every loop and corner of the city.
- Dealers provide information about product demands in a specific area as well as information about client wants, which enables businesses to modify their products.

4.2 Weaknesses:

• Labour-oriented company:

1. KS&DL is a labour-oriented company, it requires a greater number of workers. Due to excessive labour, the cost of labour also increases.
2. Quality and Quantity of products can vary due to expertise of the worker
3. Unskilled personnel must learn new skills and take time to train, which increases the amount of time spent on each task.

- **Restriction of government policy:**

1. Due to restrictions from the government, if they produce a lower amount of production, the company does not reach the standard turnover. It reduces the profits of the company.
2. Changes in political parties and policies have an impact on business growth.

- **Less promotional activities:**

KS&DL does not use strategies to promote their product. They use only newspaper and banners for promoting their product. They do not promote their product through television and others.

- **The lack of technological Advancement**

There is a need for change in the technology of machines. Only two are updated automated machines. The remaining machines are not updated. They are using old machines in a soap plant this leads to poor production.

- **They exclusively focus on middle-class and wealthy individuals**

KS&DL concentrates more on upper and middle level class people. They will concentrate on lower class people, then they will reach the larger market segment.

4.3 Opportunities:

- **Demand for natural and traditional products:**

People today are more concerned with their health, especially with regard to cosmetic goods. KS&DL uses natural raw resources to create its products, therefore this is a chance for the company to connect with its target market

- **Improving market share:**

A corporation has a robust export market, which presents an opportunity to grow market share and pursue the global market aggressively.

- **Government policies:**

1. The government support a new sandalwood policy to simplify sandalwood cultivation and also provide suitable incentives to Producers of sandalwood sell their products to KS&DL only. It helps to increase production of sandalwood products.
2. It also lowers the cost and decreases the importation of sandalwood.

4.4 Threats:

- **High competition:**

The expansion of the product will be impacted by the fierce rivalry from other global leaders that offer products with low prices, more features, and greater innovation.

- **Government administration:**

Government policy may reduce the growth potential of the company as the government fixes capacity for production.

- **Improper technology upgradation and innovation**

There is a need to renovate plants and update the technology in the two modern machines that are currently in use. If a corporation upgrades its technology, it minimises the need for labour and labour costs.

CHAPTER -5
ANALYSIS OF FINANCIAL STATEMENT

5.1 Balance sheet of Karnataka soaps and Detergents Limited

(Rs.in crore)

An organization's assets, liabilities, and shareholder equity are listed on a balance sheet, which is a financial statement. One of the three primary financial statements used to assess a company is the balance sheet.

Sl. No.	Particulars	As on 31 march 2018	As on 31 march 2019	As on 31 march 2020	As on 31 march 2021
I.	Assets				
1.	Non-current assets				
	Property, Plant, and equipment	1261.94	1263.25	1279.23	1278.40
	Total Non-current assets	1261.94	1263.25	1279.23	1278.40
2.	Current Assets				
	Inventories	154.45	218.05	200.01	158.38
	Financial Assets				
	Trade receivables	28.74	52.22	67.73	18.93
	Cash and cash equivalent	22.44	23.17	68.24	19.59
	Bank balance other than cash and cash equivalent	163.92	213.62	291.14	509.19
	Loans and Advances	84.07	126.27	40.27	45.10
	Total Current Assets	453.62	633.33	667.39	751.20
	Total Assets	1715.56	1896.58	1946.62	2029.60
II.	Equity and Liabilities				
A.	Equity				
	Equity share capital	31.82	31.82	31.82	31.82
	Other equity	1376.95	1478.74	1561.56	1656.33
	Total Equity	1408.77	1510.56	1593.39	1688.15
B.	Liabilities				
1.	Non-Current Liabilities				
	Deferred Tax liabilities	153.44	154.61	161.81	160.33
	Provision	7.82	8.67	10.32	9.19

	Total Non-current liabilities	161.26	163.28	172.13	169.52
2.	Current Liabilities				
	Financial Liabilities				
	Trade Payables	17.95	2.39	26.21	22.93
	Other Current liabilities	87.08	92.90	143.15	147.50
	Provisions	40.50	127.45	11.74	1.50
	Total Current liabilities	145.53	222.74	181.10	171.93
	Total Equity and Liabilities	1715.56	1896.58	1946.62	2029.60

Assets should always equal liabilities plus owners' equity on a balance sheet, and owners' equity should always equal assets minus owners' equity.

Owner' Equity = Assets – Liabilities

Liabilities = Assets – Owners

According to the balance sheet, the company's capital as of the 2018 fiscal year was Rs. 1408.77 billion. 2019 had revenues of Rs. 1510.56 crores, 2020 saw revenues of Rs. 1593.39 crores, and 2021 saw revenues of Rs. 1688.15 crores.

In the year 2021, the share capital increased by an additional 5%. Total liabilities in 2021 were 341.45 crore, in 2020 they were 353.23 crore, in 2019 they were 386.02 crore, and in 2018 they were 306.79 crore. In the year 2021, total assets were valued at 2029.60 crores, in the year 2020, they were 1946.62 crores, in the year 2019, they were 1896.58 crores, and in the year 2018, they were 1715.56 crores. In 2021, both current and non-current assets will decline.

5.2 Statement of profit and Loss of Karnataka Soaps and Detergents Limited

A profit and loss account shows a company's revenue and expenses over a particular period of time typically either one month or consolidated months over a year the profit and loss account represent the profitability of a business.

(Rs.in Crores)

Sl. No.	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2021
	Income:				
I	Revenue from operations	488.61	568.25	645.05	786.32
II	Other income	10.09	26.64	31.38	21.12
III	Total Incomes	498.70	594.89	676.42	807.43
	Expenses:				
a.	Cost of materials consumed	256.92	303.47	270.55	491.26
b.	Purchase of stock in trade	4.17	3.88	4.19	0.69
c.	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(25.82)	(31.84)	61.47	(6.43)
d.	Employees benefits expenses	69.23	65.08	70.35	60.46
e.	Finance cost	-	-	-	-
f.	Depreciation and amortization	1.09	1.23	2.08	2.32
g.	Other expenses	89.48	89.11	87.85	88.24
IV	Total Expenses	395.07	430.93	496.49	636.55
V	Operating Profit	103.63	163.96	179.94	170.88
VI	Tax Expenses:				
	Current tax	37.45	54.00	59.57	59.97
	Deferred tax	(1.04)	0.94	7.20	(2.03)
		36.41	54.94	66.77	57.94
VII	Net Profit after tax (V- VI)	67.22	109.02	113.16	112.94

The revenue for the years of 2018, 2019, and 2020 was 488.61 crore, 645.05 crore, and 786.32 crore respectively. The revenue for the year of 2021 was 786.32 crore. The company spent 395.07 crore on expenses in 2018, 430.93 crore in 2019, 496.49 crore in 2020, and 636.55 crore in 2021. Profit before tax in 2021 was 170.88 crores, in 2020 it was 179.94 crores, in 2019 it was 163.96 crores, and in 2018 it was 103.63 crores. Net profit in 2021 .Rs,112.94 crore, in 2020 it was Rs.113.16 crore, in 2019 it was Rs.109.02 crore and in 2018 it was Rs.67.22 crore.

5.3 Cash flow Statement

A cash flow statement is a financial statement that provides aggregate data regarding all cash flows a company receives from its on-going operation and external investment sources.

(Rs.in Crore)

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2021
A	Cash flow from Operating activities				
	Net profit before tax as per statement of profit and loss account	103.63	163.96	179.94	170.88
	Add/(Less):				
	Depreciation , Amortization and impairment	1.09	1.23	2.08	2.32
	Taxes paid	-37.45	-54.00	-59.57	-59.97

	Interest and dividend income & other nonoperating income	-10.09	-26.64	-31.38	-21.12
	OCI-Actuarial gains	-0.86	-0.66	-3.5	1.55
	Rounding off				

	Operating profit before working capital changes	56.32	85.21	87.57	93.67
	Adjustment for movements in:				
	Trade receivables	-4.48	-23.47	-15.51	48.80
	Inventories	27.11	-63.60	18.03	41.63
	Loans and advances	-32.03	-42.21	86.00	-4.83
	Trade payables	14.14	-15.56	23.82	-3.28
	Other current liabilities	39.06	5.82	50.25	4.35
	Current provisions	-4.53	86.95	-115.70	-10.24
	Net cash from operating Activities	95.59	33.14	134.46	170.10
B	Cash flow from Investing Activities				
	Purchase of property, Plant, and equipment	-1.50	-2.54	-18.06	-1.50
	Sale of property, plant and equipment	-	-	-	0.01
	Interest and dividend income & other nonoperating income	10.09	26.64	31.38	21.12
	Net cash from Investing activities	8.59	13.32	13.32	19.63
C	Cash Flow from Financing Activities				
	Increase/(Decrease) in long term liabilities	-0.01	0.85	1.65	-1.13
	Dividend and dividend tax paid	-	-7.66	-26.64	-19.18
	Net cash from Financing Activities	-0.01	-6.81	-25.19	-20.31

	Net (Decrease) in cash and cash equivalents(A+B+C)	104.17	50.43	122.58	169.41
	Operating balance of cash and cash equivalents	82.19	186.36	236.79	359.38
	Closing balance of cash and cash equivalents	186.36	236.79	359.38	528.79
	Components of cash and cash equivalents:				
	Balance with bank not carrying interest –Bank balances in cash and cash equivalents	22.42	23.15	68.19	19.59
	Balance with bank carrying interest – other bank balances	163.92	213.62	291.14	509.19
	Cash in hand- cash balances in cash and cash equivalents	0.02	0.02	0.04	0.01
	Total of cash, cash equivalents and other bank balances	186.36	236.79	359.38	528.79

Net cash flow from operational activity was 170.10 crores in 2021, 134.46 crores in 2020, and 33.14 crores in 2019; in contrast, operating activity profit was 95.59 crores in 2018 and 33.14 crores in 2019. Net cash flow from investing activities was 19.6 crore in 2021, 13.32 crore in 2020, and 8.59 crore in 2018. It was also 13.32 crore in 2019. In the years 2021, 2020, 2019, and 2018, net cash flow from financial activity was (20.31) crore, (25.19) crore, (6.81) crore, and (0.05) crore in the year 2018. The negative CFF the company is making dividend payments and stock repurchases and also company retiring debt.

Ratio Analysis of Karnataka Soaps and Detergent Limited

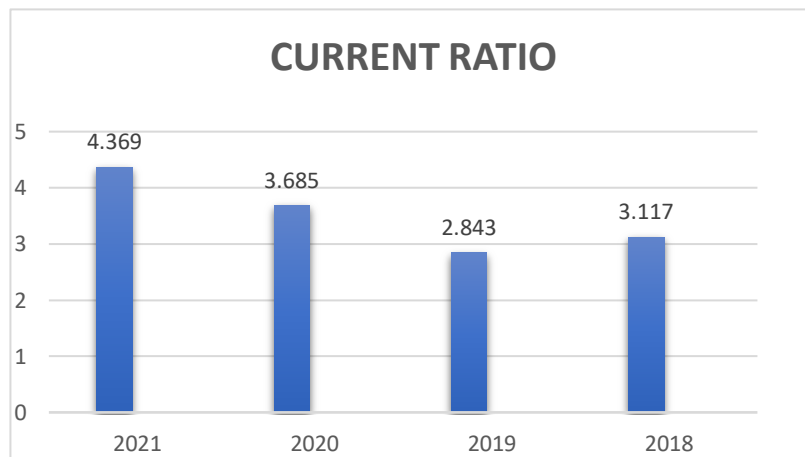
Ratio analysis is calculating financial performance of the company, its financial position, liquidity, profitability, risk, solvency, proper utilization of the resources by studying the financial statement of the company like balance sheet and income statement.

1. Liquidity Ratio:

Liquidity ratio is the tool which is used to examine the ability of the company to pay its short-term loans. It shows the richness of the company.

Current ratio= Current assets/ Current liabilities

Ratio	2021	2020	2019	2018
Current ratio(x)	4.369	3.685	2.843	3.117

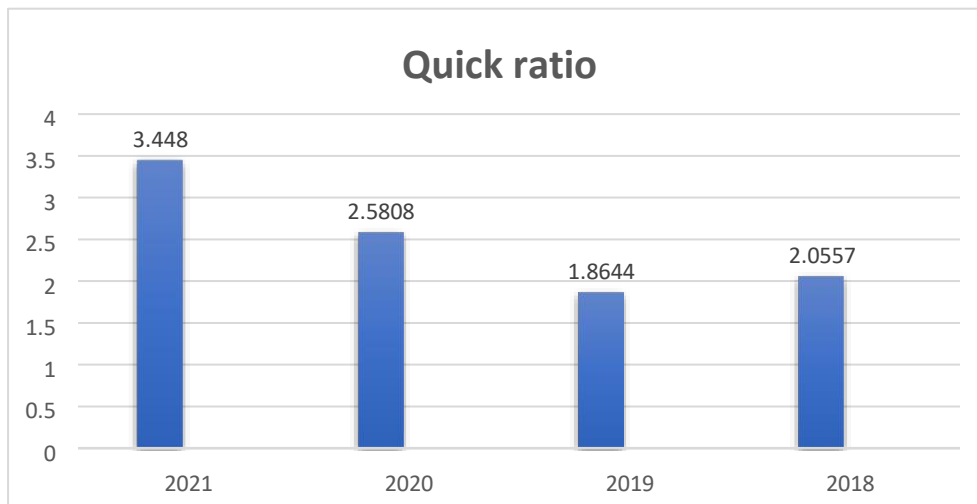


Analysis:

Between 1.2 to 2 is considered to be a good current ratio, means that current assets are 2times more than the liabilities to cover its debts. Here the company has good current ratio over the 4 years that means company has enough liquid assets to cover its liabilities.

Quick Ratio: Quick Assets/ Quick Liabilities

Ratio	2021	2020	2019	2018
Quick ratio(x)	3.4480	2.5808	1.8644	2.0557



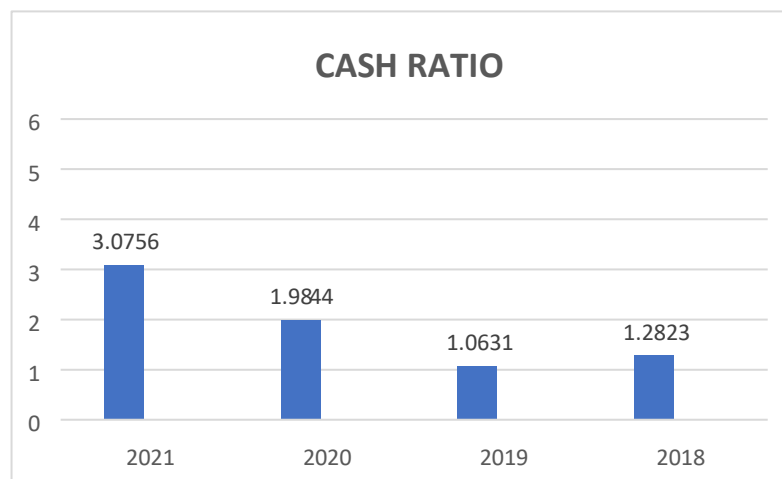
Analysis:

Quick Ratio of the company has been increasing which is the good sign to the organization.

More the liquid assets mean better the company's financial health. The company has satisfactory level of quick ratio as it is increasing.

○ **Cash ratio= Cash and cash equivalents/ Current liabilities**

Ratio	2021	2020	2019	2018
Cash ratio (x)	3.0756	1.9844	1.0631	1.2823



Analysis:

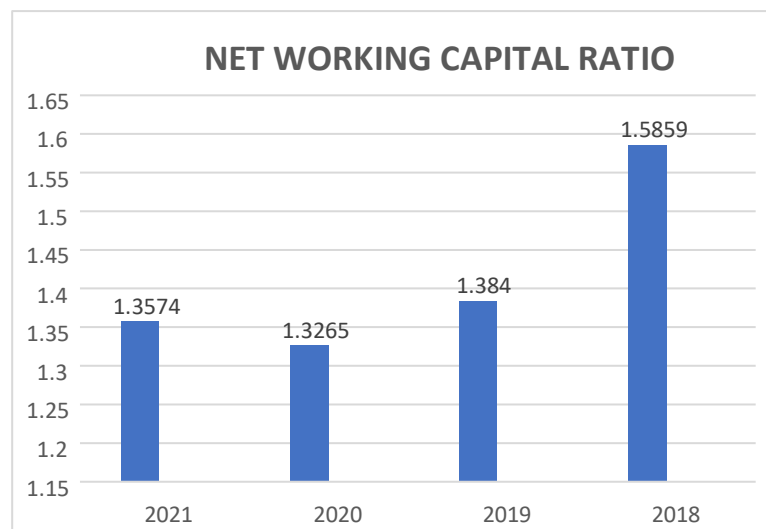
The cash ratio is greater than 1, the company can cover all short-term debt and still have cash on hand. In 2019, the cash ratio is less compared to the above-mentioned year. It shows that the company has a near amount of current liabilities as the company cash and cash equivalents. In

2021, the cash ratio is high. It shows that a company is not able to be used for profitable activities.

○ **Net working capital ratio = Net sales / working capital**

- **Net sales = Sales – Sales return**
- **Working capital = Current assets – current liabilities**

Ratio	2021	2020	2019	2018
Net working capital ratio (x)	1.3574	1.3265	1.3840	1.5859



Analysis:

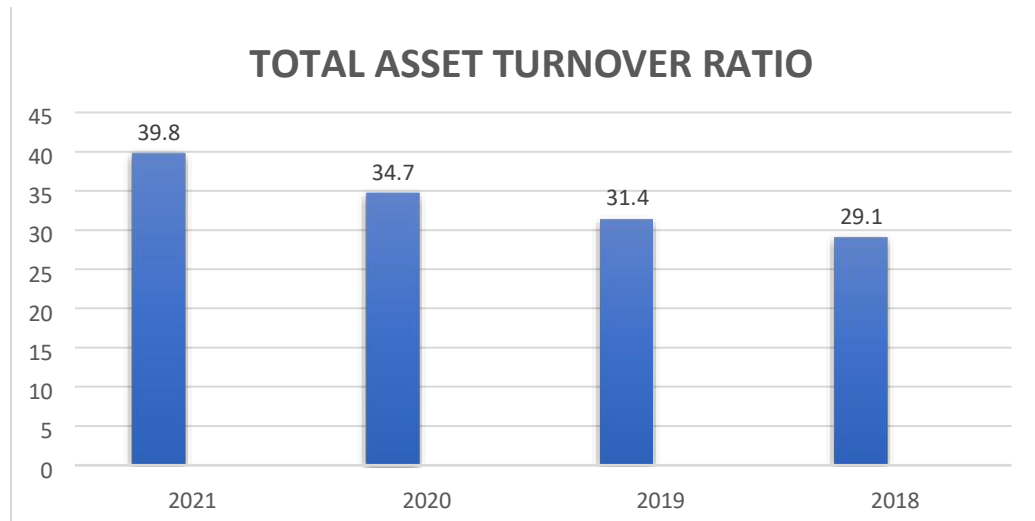
From the above table and chart indicate that decreasing the net working capital ratio. A decreasing ratio indicates that KS&DL may have too many total current liabilities, reducing the amount of working capital. They maintained a healthy working capital ratio in the above-mentioned years.

2.Turnover Ratio:

Turnover ratio is the percentage of mutual fund holdings or other portfolio's which have been replaced in a fiscal year.

Total Asset Turnover Ratio(%)= Sales/ Total Assets

Ratio	2021	2020	2019	2018
Total Asset Turnover ratio(x)	39.8	34.7	31.4	29.1

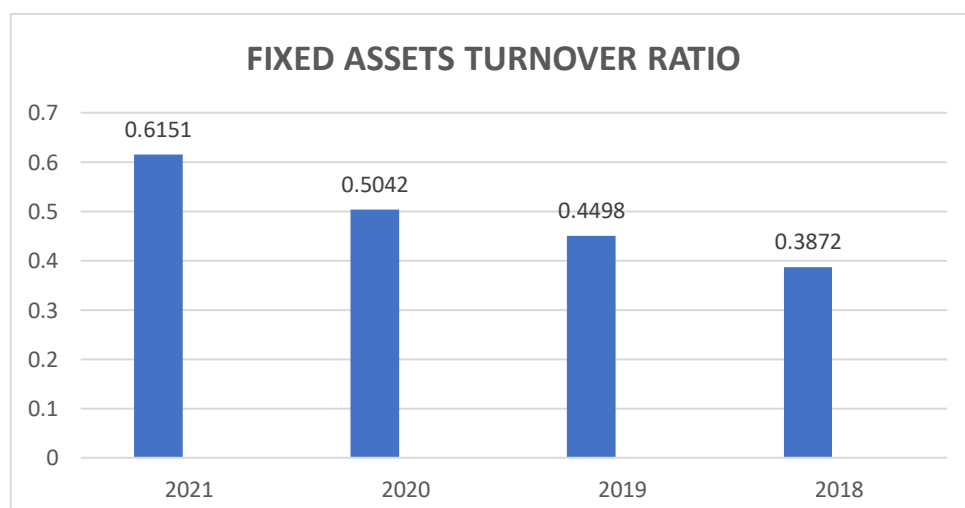


Analysis:

Assets turnover ratio of company in 2018 is less because of less sales done by the company and the assets which the company had during the year. The company is said to be efficient if there is higher the asset turnover ratio which will be generating from its assets, the return on assets is increasing every year. Return on Assets is more than 20% in each year of the above-mentioned. It indicates that KS&DL is not renewing its assets for the future and they are investing in new machinery and equipment.

○ Fixed assets turnover ratio = Net sales / Fixed assets

Ratio	2021	2020	2019	2018
Fixed asset turnover ratio(x)	0.6151	0.5042	0.4498	0.3872



Analysis:

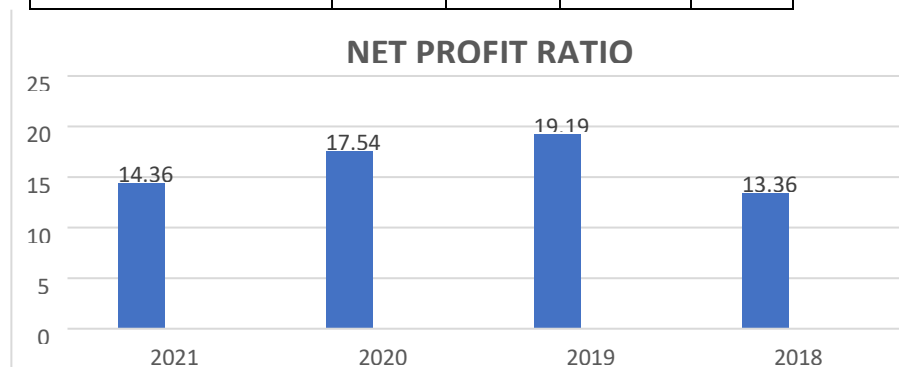
KS&DL has lower fixed assets turnover ratio (means less than 1). It indicates that a company is not using its assets efficiently, may have internal problems and over invested in fixed assets. KS&DL cannot generate enough revenue.

3.Profitability Ratio:

Ratio that shows the firm's ability to measure the overall efficiency of the firm in generating the returns for its stakeholders.

○ **Net Profit ratio = Net profit after tax/ sales*100**

Ratio	2021	2020	2019	2018
Net profit ratio(x)	14.36	17.54	19.19	13.75

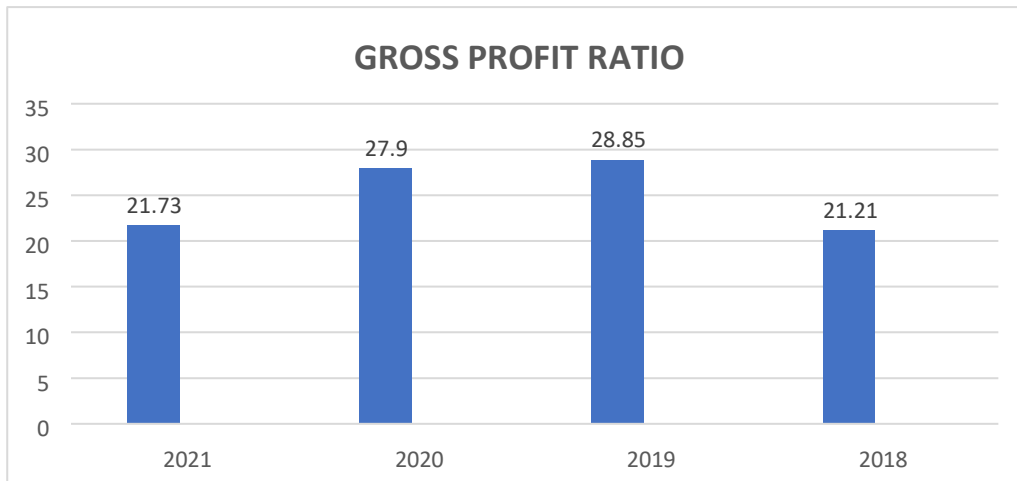


Analysis:

Net profit is the way to measure the financial performance of the company. But in the year 2021 the net profit is low due to the decrease in the net profit done by the company. In 2019 the net profit of company was very high.

○ **Gross profit ratio = Gross profit/sales*100**

Ratio	2021	2020	2019	2018
Gross profit ratio(x)	21.73	27.90	28.85	21.21

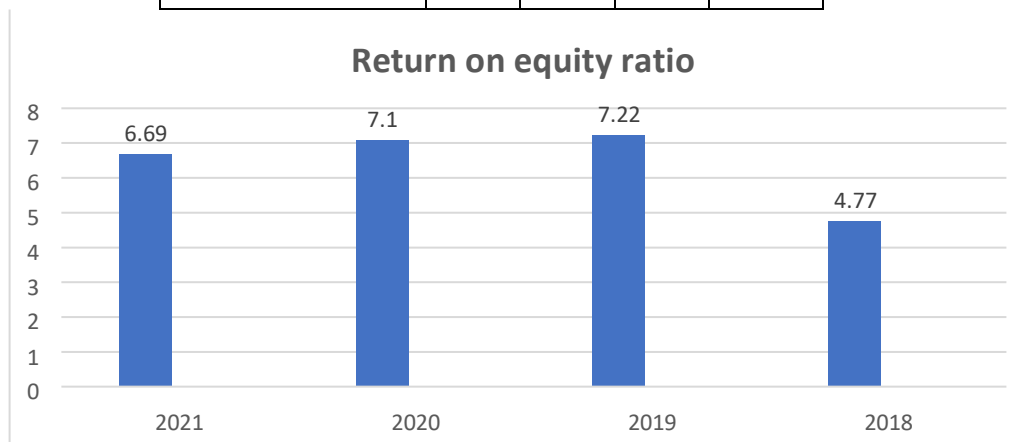


Analysis:

Gross profit is a measure of how efficiently an establishment uses labour and supplies for manufacturing goods. Due to poor sales in 2021, the gross profit was lower than in 2020.

○ Return On Equity = Net profit after interest and tax / Shareholder's fund

Ratio	2021	2020	2019	2018
ROE Ratio (x)	6.69	7.10	7.22	4.77



Analysis:

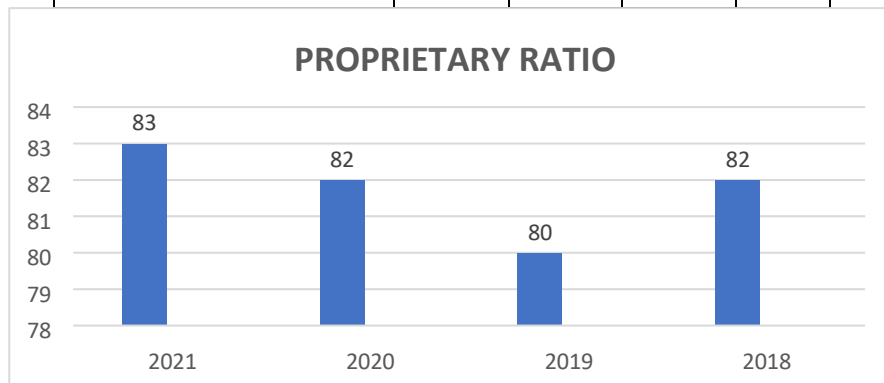
The above table and chart indicate that KS&DL return on equity is less than 8% in each of the above-mentioned years. It is not good sign for the KS&DL. It indicates that KS&DL is not converting its equity financing into profits. They have not earned more from the return on capital.

4. SOLVENCY RATIO:

solvency ratio is used to measure an enterprise's ability to meet its long-term debt obligations and is used often by prospective business lenders. A solvency ratio indicates whether a company's cash flow is sufficient to meet its long-term liabilities and thus is a measure of its financial health.

○ **Proprietary ratio= Shareholder's fund/ Total Assets*100:**

Ratio	2021	2020	2019	2018
Proprietary Ratio (x)	83%	82%	80%	82%



Analysis:

The above table and chart indicate that the proprietary ratio of KS&DL is high. They maintained a proprietary ratio of more than 80% in each year of the above-mentioned. It indicates that the company is in a strong position and provides relief to creditors. The high ratio shows that KS&DL is not dependent on debt financing in order to run its business. It also indicates that creditors will not lose their interest in providing finance.

CHAPTER-6
LEARNING EXPERIENCE

Every student in their professional course needs to undertake summer training or internship in his/her respective field, which gives his/her a chance to explore his/her skills and suits in the work environment. The objective of the internship is to benefit both students working as well as for which students is working. The students get to learn the basics of their education and then turning into realities, where does companies could add values to their service through the creative and the innovative skills possessed by the new generations.

The internship period helps the student judge them self whether, they could able to adjust corporate environment or not. Organizational study about KS&DL provides me very good opportunity to know about the organizational structure, formation and its workflow, and also help to gain practical knowledge about different functions of various department of the company. This organization helps me to make a thorough study of the organization activities in each section and to acquire practical knowledge.

This study will be great benefit for future career. Four weeks organization study gave opportunity to know about industrial world. Being with the company helped me to learn how the management theories and concepts are applied in the organization. It gives an opportunity to see managers managing a large number of employees to run organization with profit. More over the training was good exposure to learn about the working conditions of the organization.

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Description	Link
Company profile	www.bloomberg.com/profile/company/0430466D:IN
Company information, directors/partners details, contact information, and company history	www.quickcompany.in/company/karnataka-soapsand-detergents-limited
Company information and updates	www.linkedin.com/company/karnataka-soaps-anddetergents-limited/

ANNEXTURE

- **Balance sheet**

Sl. No.	Particulars	As on 31 march 2018	As on 31 march 2019	As on 31 march 2020	As on 31 march 2021
I.	Assets				
1.	Non-current assets				
	Property, Plant, and equipment	1261.94	1263.25	1279.23	1278.40
	Total Non-current assets	1261.94	1263.25	1279.23	1278.40
2.	Current Assets				
	Inventories	154.45	218.05	200.01	158.38
	Financial Assets				
	Trade receivables	28.74	52.22	67.73	18.93
	Cash and cash equivalent	22.44	23.17	68.24	19.59
	Bank balance other than cash and cash equivalent	163.92	213.62	291.14	509.19
	Loans and Advances	84.07	126.27	40.27	45.10
	Total Current Assets	453.62	633.33	667.39	751.20
	Total Assets	1715.56	1896.58	1946.62	2029.60
II.	Equity and Liabilities				
A.	Equity				
	Equity share capital	31.82	31.82	31.82	31.82
	Other equity	1376.95	1478.74	1561.56	1656.33
	Total Equity	1408.77	1510.56	1593.39	1688.15
B.	Liabilities				
1.	Non-Current Liabilities				
	Deferred Tax liabilities	153.44	154.61	161.81	160.33
	Provision	7.82	8.67	10.32	9.19
	Total Non-current liabilities	161.26	163.28	172.13	169.52
2.	Current Liabilities				
	Financial Liabilities				

	Trade Payables	17.95	2.39	26.21	22.93
	Other Current liabilities	87.08	92.90	143.15	147.50
	Provisions	40.50	127.45	11.74	1.50
	Total Current liabilities	145.53	222.74	181.10	171.93
	Total Equity and Liabilities	1715.56	1896.58	1946.62	2029.60

- **Profit and loss statement**

(Rs.in Crores)

Sl. No.	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2021
	Income:				
I	Revenue from operations	488.61	568.25	645.05	786.32
II	Other income	10.09	26.64	31.38	21.12
III	Total Incomes	498.70	594.89	676.42	807.43
	Expenses:				
a.	Cost of materials consumed	256.92	303.47	270.55	491.26
b.	Purchase of stock in trade	4.17	3.88	4.19	0.69
c.	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(25.82)	(31.84)	61.47	(6.43)
d.	Employees benefits expenses	69.23	65.08	70.35	60.46
e.	Finance cost	-	-	-	-
f.	Depreciation and amortization	1.09	1.23	2.08	2.32
g.	Other expenses	89.48	89.11	87.85	88.24

IV	Total Expenses	395.07	430.93	496.49	636.55
V	Operating Profit	103.63	163.96	179.94	170.88
VI	Tax Expenses:				
	Current tax	37.45	54.00	59.57	59.97
	Deferred tax	(1.04)	0.94	7.20	(2.03)
		36.41	54.94	66.77	57.94
VII	Net Profit after tax (V- VI)	67.22	109.02	113.16	112.94

- **Cash flow statement**

(Rs.in Crore)

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2021
A	Cash flow from Operating activities				
	Net profit before tax as per statement of profit and loss account	103.63	163.96	179.94	170.88
	Add/(Less):				
	Depreciation , Amortization and impairment	1.09	1.23	2.08	2.32
	Taxes paid	-37.45	-54.00	-59.57	-59.97

	Interest and dividend income & other nonoperating income	-10.09	-26.64	-31.38	-21.12
	OCI-Acturial gains	-0.86	-0.66	-3.5	1.55
	Rounding off				

	Operating profit before working capital changes	56.32	85.21	87.57	93.67
	Adjustment for movements in:				
	Trade receivables	-4.48	-23.47	-15.51	48.80
	Inventories	27.11	-63.60	18.03	41.63
	Loans and advances	-32.03	-42.21	86.00	-4.83
	Trade payables	14.14	-15.56	23.82	-3.28
	Other current liabilities	39.06	5.82	50.25	4.35
	Current provisions	-4.53	86.95	-115.70	-10.24
	Net cash from operating Activities	95.59	33.14	134.46	170.10
B	Cash flow from Investing Activities				
	Purchase of property, Plant, and equipment	-1.50	-2.54	-18.06	-1.50
	Sale of property, plant and equipment	-	-	-	0.01
	Interest and dividend income & other nonoperating income	10.09	26.64	31.38	21.12
	Net cash from Investing activities	8.59	13.32	13.32	19.63
C	Cash Flow from Financing Activities				
	Increase/(Decrease) in long term liabilities	-0.01	0.85	1.65	-1.13
	Dividend and dividend tax paid	-	-7.66	-26.64	-19.18
	Net cash from Financing Activities	-0.01	-6.81	-25.19	-20.31

	Net (Decrease) in cash and cash equivalents(A+B+C)	104.17	50.43	122.58	169.41
	Operating balance of cash and cash equivalents	82.19	186.36	236.79	359.38
	Closing balance of cash and cash equivalents	186.36	236.79	359.38	528.79
	Components of cash and cash equivalents:				
	Balance with bank not carrying interest –Bank balances in cash and cash equivalents	22.42	23.15	68.19	19.59
	Balance with bank carrying interest – other bank balances	163.92	213.62	291.14	509.19
	Cash in hand- cash balances in cash and cash equivalents	0.02	0.02	0.04	0.01
	Total of cash, cash equivalents and other bank balances	186.36	236.79	359.38	528.79

