"Accounts Payable Processes in Manufacturing Companies

And

Impact of MSME Vendors on Manufacturing Enterprises"

An Internship Report for

MGA-652 and MBA

Credit: 16

Submitted in partial Fulfilment of Masters of Business Administration in Finance

By

Floira Lisa Niasso

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Under the Mentorship of

Prof. Purva Hegde Desai

Goa Business School/ Management Studies

Goa University/Goa Business School

Date: 06/05/2024

Examined by:

Seal of the School/Dept

DECLARATION BY STUDENT

I hereby declare that the data presented in this Internship report entitled, "**Accounts Payable Processes in Manufacturing Companies** and **Impact of MSME Vendors on Manufacturing Enterprises**" is based on the results of investigations carried out by me in the Discipline of Management Studies at Goa Business School, Goa University, under the mentorship of Prof. Purva Hegde Dessai and the same has not been submitted elsewhere for the award of a degree or diploma by me. Further, I understand that Goa University or its authorities/College will be not be responsible for the correctness of observations/experimental or other findings given the internship report/work.

I hereby authorize the University/college authorities to upload this dissertation on the dissertation repository or anywhere else as the UGC regulations demand and make it available to any one as needed.

Floira Lisa Niasso

Signature and Name of Student

Seat no: 22P0280019

Date: 2nd May 2024

Place: Goa University

COMPLETION CERTIFICATE

This is to certify that the internship report "**Accounts Payable Processes in Manufacturing Companies** and **Impact of MSME Vendors on Manufacturing Enterprises**" is a bonafide work carried out by **Ms. Floira Lisa Niasso** under my mentorship in partial fulfilment of the requirements for the award of the degree of **Master of Business Administration** in the Discipline of Management Studies at Goa Business School, Goa University.

Date: 2nd May 2024

Prof. Purva Hegde Dessai

Signature and Name of Mentor

Signature of Dean of School/HoD

Date: 2nd May 2024

Place: Goa University

School/Department Stamp

Goa Business School * Goa University *

IFB
Set yourself free

IFB
www.ifbappliances.com
IFB Industries Limited
Home Appliances Division

L-1, Verna Electronic City,
Salcete, Goa - 403722, India
Tel.: 0091- 832 - 3044800/801
Fax : 0091 - 832 - 3044802

April 22, 2024

Mr.Suraj Velip ,
Programme Director,
Management Discipline,
Goa Business School ,
Goa University

Dear Mr. Suraj Velip ,

Sub: **Internship**

This is with reference to the application for an internship of the following students in our Organization:

1. Brijesh Gaude
2. Floira Niasso

We are pleased to offer them a Project in our Organization, commencing from 16/01/2024 to 06/05/2024 at IFB Industries Ltd., Home Appliances Division, Goa.

During this period it is expected that they will abide by the rules and procedures of the Company and will observe all safety, administrative rules of the Company.

They will not be covered under any employment rules of the Company.

They will, at all times, observe secrecy and confidentiality and will not divulge, disclose or make known to any unauthorized person within or outside the Company, nor will they unauthorized use any knowledge or information in respect of manufacturing, technical trade or business data (including manufacturing processes, technical knowhow, customer information, business plans and like matters) which are necessarily confidential and have come to their knowledge and possession.

They will also not remove any such information in any form whatsoever from the Company premises, nor copy or transmit the same unauthorizedly through any medium including social networking networks / public sites, nor will they grant permission to assist, permit entry to, or in any manner co-operate with any unauthorized person for the purposes of accessing, obtaining, copying, transmitting or removing the above. Even after the cessation of their project with the Company, they will not use, divulge, disclose or remove in any manner whatsoever confidential information or the type described above of which they were in possession whilst in service to the detriment of the Company.

They will also observe all the confidentiality measures which are in existence, or which may be enforces from time to time, as well as directions as to confidentiality marked on any communication, document, electronic data storage device, etc. They shall indemnify and hold Company harmless and indemnified against any damage or loss caused to the Company on account of breach of confidentiality on their part. These confidentiality provisions shall survive the completion of their project and separation from the Company.

In addition to their fulfilling the requirements of secrecy and confidentiality as specified herein, also during their project with the Company, you shall not engage in any vocation, training, employment, consultancy, business transaction. Or any other activity which is in conflict with the interests of the Company, in any capacity whatsoever either on their own or in association with any other individual / firm / institute / body corporate, etc. whether for any consideration or not.

They will devote their full attention exclusively to the duties entrusted to them from time to time by the Company and while in service of this Company they will not work for any person or Company in any capacity wither for any consideration of otherwise, nor do any private business without obtaining prior permission of the Company in writing.

They will assign to the Company their entire right, title and interest in any Intellectual Property Rights (IPRs for short, which term would include patents, trade-marks, copyrights, design whether registered or not, and all improvements thereto) that they may make, solely or jointly with others in the course of their project with the Company relating to any or all systems, services and products manufactured or marketed or leased or developed. They will perform all necessary acts and execute such documents in such format as may be required by the Company, without expense to them, which in the judgement of the Company or its Attorneys may be necessary or desirable to secure to the Company full right title and interest in the IPRs.

The Company shall at all times have the right to access and monitor all e-mails created, sent / received or stored by them using Company facility and on Company's system at any time without giving them any prior notification. All such data and information shall be the property of the Company at all times.

They shall endeavour to uphold the good image of the Company and shall not by their conduct adversely affect the reputation of the Company and bring disrepute to the Company, in any manner whatsoever.

They shall, on ceasing to be the Trainee of the Company, forthwith return all Company properties, movable and immovable, including without limitation, all Company information, files, reports, memoranda, software, credit cards, door and file keys, computer access codes and such other property, which they received or in possession or prepared in connection with their project with the Company.

The Company reserves the right to terminate the training without assigning any reason, with immediate effect, if the company finds any of their act is not in line with the company policy and they will be liable for any damages caused thereby.

Under no circumstance shall the Company be liable for any losses to them due to accidents or casualties during their project.

Please sign the duplicate copy of this letter and forward the same to us as a token of their acceptance of the above mentioned terms and conditions of the Project.

Yours faithfully,
For **IFB Industries Ltd.,**

Sarah.

Sarah Oliveira Fernandes
Head Human Resources

Accepted and abide by the terms & conditions as spelt out in the letter

Mr. Suraj Velip

ACKNOWLEDGEMENT

IFB Appliances has my sincere gratitude for providing me with the chance to carry out this study. Throughout the whole research process, the management and employees of IFB Appliances provided tremendous support and cooperation. This study was made much better by their willingness to share their knowledge, grant access to needed materials, and provide sage advice.

I would especially like to express my sincere gratitude to the Finance Department for their constant support and encouragement. Their commitment to supporting this research project was essential to its effective conclusion.

In addition, I want to express my gratitude to my colleagues and peers for your unwavering encouragement and support. Their cooperative efforts, brainstorming discussions, and helpful criticism greatly influenced the final product of this study.

Finally, I would want to express my gratitude to everyone who helped with this study in any way. Their combined efforts have improved this research's range and depth as well as my educational experience.

Yours Sincerely

Floira Lisa Niasso

MBA Part - 2

Goa Business School

Goa University

IFB
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IFB Industries Limited
Home Appliances Division

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Salcete, Goa - 403722, India
Tel.: 0091- 832 - 3044800/801
Fax : 0091 - 832 - 3044802

May 06, 2024

TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Ms. Floira Lisa Niasso,** student of MBA– **Goa Business School,** Goa University has successfully completed her internship in our organization during the period January 15, 2024 to May 04, 2024.

During the internship period she worked on the project **"Accounts Payable Processes in Manufacturing Companies".**

Ms. Floira Lisa Niasso is a sincere and dedicated student. Her behaviour and conduct during the internship period was good.

We wish her all the very best in her future endeavors.

For **IFB Industries Limited,**

Sarah Oliveira Fernandes
Head Human Resources

1 Table of Contents

EXECUTIVE SUMMARY /ABSTRACT

The relationship between IFB Ltd. and its MSME suppliers is examined in this study, which also highlights the advantages and difficulties of doing business with MSME suppliers. It implies that even with IFB Ltd.'s organised payment policy and effective vendor management system, problems with late payments and penalties may be handled more effectively. IFB Ltd. may increase its competitiveness and optimise its supply chain efficiency by putting plans into place to improve communication, fortify vendor relationships, and accelerate payment punctuality. For raw materials, IFB Ltd., a manufacturing company, works with a number of MSME suppliers. The company's supply chain is greatly impacted by variables like late payments, penalties, and frequency of payments, underscoring the importance of effective vendor management.

Managing goods bills, overseeing the travel system, processing invoices, upholding vendor connections, and using SAP software for financial operations were among the duties performed during the internship at IFB Ltd. The experience enhanced abilities in problem-solving, software use, and relationship management.

Even with difficulties handling inconsistent invoices and meeting deadlines, the internship offered chances for development and education. Understanding of accounting and vendor management procedures was improved through mentoring and practical experience.

1 INDUSTRY OVERVIEW

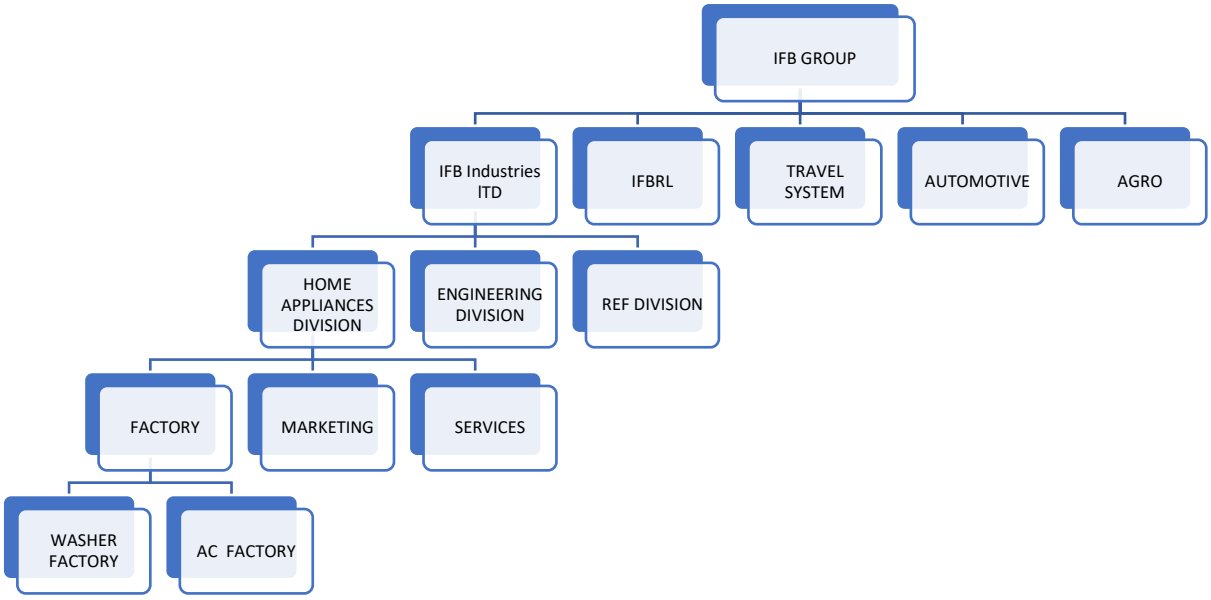
IFB Industries Ltd, founded in 1974 as Indian Fine Blanks Ltd, initially focused on manufacturing fine blanked components and stamping for precision engineering industries. As time went on, it grew to include the production of household goods like dishwashers, microwaves, and washing machines. The business also manufactures motors for use in automobiles and white goods.

In 1989, IFB Industries collaborated with Bosch-Siemens Hausgerate GmbH Germany to produce fully automatic washing machines. By establishing subsidiaries and joint ventures for the sale of car safety belts and accessories, it further expanded its diversification. 'Senator' washing machine from 2000 and 'IFB Digital' washing machine from 2002–2003 are two notable product introductions.

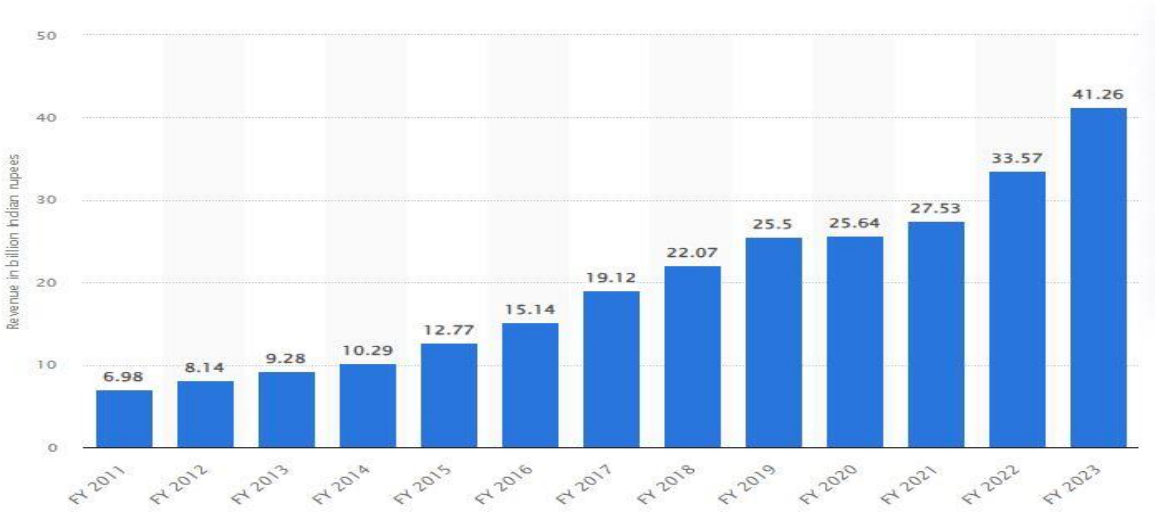
IFB Industries has added Trishan Metals Private Ltd. and Global Appliances & Automotive Ltd. to its portfolio of subsidiaries in recent years. It bought the stamping company from IFB Automotive Private Limited in 2019. Notwithstanding obstacles such as the nationwide shutdown in 2020, the business partially reopened and kept up its rapid expansion. Through a Scheme of Amalgamation, Trishan Metals Pvt. Ltd. and IFB Industries Ltd. merged in 2022, further integrating their business operations

1.1 IFB GROUP

The IFB Group, which is headed by IFB Industries Ltd., is involved in a variety of industries, including agribusiness, travel systems, engineering, refractory, and home appliances. The Home Appliances Division produces air conditioners and washing machines and is backed by strong networks for after-sale support and marketing. In addition to its expertise in travel solutions, IFBRL is interested in engineering, agribusiness, and cars. IFB Group pursues sustainable development prospects worldwide while maintaining its leadership position in the Indian market through innovation and customer-centric initiatives.



1.2 Indian Fine Blanks (IFB) Industries Limited revenue from financial year 2011 to 2023



2 COMPANY OVERVIEW: IFB Home Appliances

IFB Home Appliances is a division of IFB Industries Ltd, a prominent Indian conglomerate founded in 1974. When Indian Fine Blanks Ltd. was first founded, its primary concentration was on producing fine blanked components and stamping for the precision engineering sector. IFB Industries expanded its business over time to encompass home appliance manufacture and trading in addition to its main technical departments.

IFB Industries is a multi-segment company that specializes in home appliances, engineering, and related fields. The engineering departments are based in Bangalore and Kolkata and are specialized in producing tools, related machinery, and fine blanked components for a range of industries. These divisions are essential to offering clients in various areas precisely developed solutions.

IFB Home Appliances is dedicated to technological innovation and advancement in order to offer consumers state-of-the-art solutions. To integrate cutting-edge technologies into its goods, the corporation consistently allocates resources into research and development. Among the noteworthy technological developments are:

Smart connectivity refers to the integration of devices into smart home ecosystems, allowing users to monitor and manage appliances from a distance using voice commands or smartphones.

The application of energy-efficient technologies to decrease power consumption and lessen environmental effect is known as energy efficiency.

Advanced Washing Technologies: Utilizing sensor-based controls and cutting-edge washing mechanisms to maximize cleaning efficacy and preserve fabric quality.

Convenience Features: To improve convenience and use, user-friendly features including auto restart functions, delay start timers, and self-cleaning modes have been added.

IFB Home Appliances is dedicated to eco-friendly procedures and environmental sustainability. To lessen its carbon footprint and environmental effect, the company works on creating energy-efficient appliances, consuming less resources, and implementing sustainable

manufacturing techniques. IFB is always looking for ways to improve the environmental friendliness of its operations and products, making the world a greener and healthier place.

IFB Home Appliances looks into chances for international expansion even though their primary market is India. The company taps into a variety of global consumer categories by utilizing its unique product offerings, strong brand reputation, and competitive advantages. IFB wants to be present in foreign markets and meet the changing demands and tastes of customers everywhere.

2.1 VISION

To be the customer's first choice.

2.2 MISSION

To be the best in the eyes of our customers, employees, business partners and shareholders.

•**FOR OUR CUSTOMERS-** The best product to buy, an innovative product that consistently outperforms peers and outstanding service that makes every customer smile.

•**FOR OUR PEOPLE**- An environment in which individuals can constantly learn, grow and prosper.

•**FOR OUR BUSINESS PARTNERS**- IFB should be the first choice for their products and services.

•**FOR OUR INVESTORS**- The Company should be acknowledged as one with the highest standards of corporate transparency; that delivers on promises given to shareholders.

2.3 VALUES

- Never let profit centre conflicts get in the way of doing what is right for the customer.

- Give customers a good, fair deal. Great customer relationships take time, do not try to maximize short-term profits at the expense of building those enduring relationships.
- Always look for ways to make it easier to do business with us.
- Communicate daily with your customers. If they are talking to you, they can't be talking to a competitor.

- Don't forget to say 'Thank You'.

2.4 LOCATION

IFB, an Indian home appliance and consumer electronics company, has multiple locations across India where it operates its manufacturing facilities, offices, and service centres. Here are some of the key locations:

Kolkata, West Bengal: IFB's headquarters is located in Kolkata, West Bengal. This is where the company was founded and where its main administrative offices are situated.

Goa: IFB has a manufacturing facility in Goa, where it produces a range of products including washing machines, microwave ovens, dishwashers, and more.

Bangalore, Karnataka: Bangalore serves as a significant operational hub for IFB, hosting offices for sales, marketing, and customer support.

Delhi NCR: Being one of the major metropolitan regions in India, Delhi NCR (National Capital Region) houses several IFB offices and service centres to cater to the large consumer base in the area.

Mumbai, Maharashtra: IFB has a presence in Mumbai, the financial capital of India, with offices and service centres to serve customers in the region.

Chennai, Tamil Nadu: Chennai is another key location for IFB, with offices and service centres to support its customer base in South India.

Hyderabad, Telangana: IFB has a presence in Hyderabad, with offices and service centres to cater to customers in Telangana and Andhra Pradesh.

Pune, Maharashtra: Pune hosts IFB offices and service centres, contributing to the company's presence in the western region of India.

The company has a chain of 530 retail outlets called ‘IFB POINT’ .It has it branches in every state of the country and warehouses in Nagpur(NAG), Goa , Chennai (CHEN), and Gurgaon(GUR).

2.5 PRODUCT PORTFOLIO

LAUNDRY SOLUTIONS	**WASHING MACHINES** -Front Load -Top Load -Washer Dryer Refresher **CLOTHES DRYER** -Stacking Mount Unit
KITCHEN SOLUTIONS	**REFRIGERATORS** -Single Door -Double Door **MICROWAVE OVENS** -Solo -Grill -Convection **DISHWASHERS** **OVENS** **QUARTZ OVENS** **CHIMNEYS** **HOBS** **BUILT IN APPLIANCES**
LIVING SOLUTIONS	**AIR CONDITIONERS**

2.6 PRODUCT RANGE

IFB Home Appliances offers a comprehensive array of products designed to enhance household chores and convenience. The product range includes:

1. Washing machines

IFB provides a wide selection of washing machines to accommodate various customer requirements and tastes. Among them are:

- **Front-Loading Washing Machines**: Front-loading washing machines are known for their efficient cleaning, water-saving features, and gentle treatment of clothes. The front-loading washers from IFB are available in different capacities and are equipped with cutting-edge technology like Aqua Energies, which guarantees optimal detergent dissolving for complete cleaning.

- **Top-loading washing machines:** Because of their top-opening design, top-loading washing machines are convenient. Features like Aqua Spa Therapy for gentle washing, Crescent Moon Drum for smoother washing, and Triadic Pulsator for effective filth removal are available on IFB's top-loading washers.

Semi-Automatic Washing Machines: These reasonably priced machines provide versatility and convenience at a reasonable price. Strong wash motors, many utility trays, and user-friendly ergonomic design are features of IFB's semi-automatic machines.

2. **Microwave ovens**

The microwave ovens offered by IFB are designed to meet a variety of needs and tastes in cooking. Among them are:

- **Solo Microwave Ovens:**

Solo microwave ovens are entry-level versions that work well for basic cooking functions like defrosting, reheating, and preparing meals. Features like Speed Defrost and Multiple Power Levels allow you flexible cooking with IFB's solo microwaves.

- **Grill Microwave Ovens:** In addition to standard microwave cooking, grill microwave ovens provide extra grilling features that let customers produce grilled meals. The combination cooking options and Quartz Grill technology of IFB's grill microwaves allow for flexible cooking.

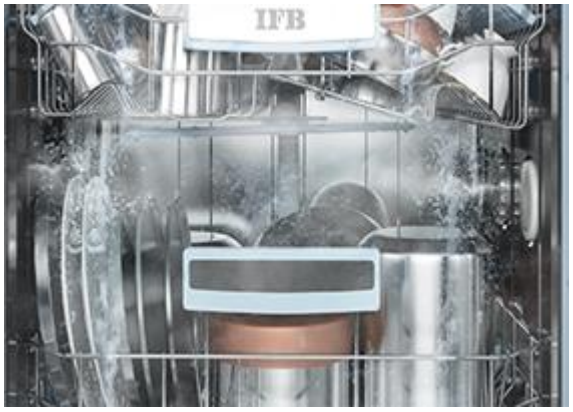
- **Convection microwave ovens**: Combining grill, convection, and microwave cooking modes, convection microwave ovens offer the greatest versatility. Convection microwaves from IFB have functions including Tandoori cooking, fermentation, and Auto Cook Menus for easy cooking of a variety of dishes

3. Dishwashers

IFB's dishwashers are designed to simplify dishwashing tasks and provide superior cleaning performance. These include:

Built-in dishwashers:

For a sleek and contemporary appearance, built-in dishwashers blend in seamlessly with kitchen cabinetry. For effective and hygienic cleaning, IFB's built-in dishwashers have features like Flexible Half-Load, Hygiene Wash, and Water Softening Technology.



Freestanding Dishwashers:

These are freestanding appliances that may be placed anywhere in the kitchen. Features like Adjustable Racks, Delay Start, and Eco Wash choices for energy-efficient cleaning are included with IFB's freestanding dishwashers.

4. Refrigerators

IFB's refrigerators are designed to keep food fresh and organized while offering energy efficiency and convenience. These include

Single Door Refrigerators:

Ideal for smaller homes, single door refrigerators are space-efficient and compact models. Features like Vegetable Crispers, Toughened Glass Shelves, and Quick Chill Zones for effective cooling are included with IFB's single door refrigerators. Double Door Refrigerators:

Double door refrigerators are more organized and offer plenty of storage space because they have separate sections for freezing and refrigeration. The Frost-Free Operation, LED Lighting, and Multi Airflow System of IFB's double door refrigerators provide consistent cooling.

Side-by-side refrigerators: These refrigerators offer plenty of room for storage as well as easy access to frozen and fresh food. For extra convenience, IFB's side-by-side refrigerators come equipped with Quick Freeze, Digital Display, and Water Dispensers.

5. Cooking Appliances

IFB offers a range of cooking appliances to facilitate efficient and convenient cooking. These include:

Induction Cooktops:

Utilizing energy-efficient induction technology, induction cooktops provide rapid and accurate cooking. For hassle-free and safe cooking, IFB's induction cooktops have features like Child Lock, Auto Cook Menus, and Timer Function.

Built-in Ovens

With cutting-edge capabilities for baking, roasting, and grilling, built-in ovens offer a variety of cooking possibilities. For easy cooking, IFB's built-in ovens have features like Multi-stage Cooking, Defrost Function, and Self-Cleaning.

Chimney Hoods:

When cooking, chimney hoods help expel smells, smoke, and steam from the kitchen. Features like Baffle Filters, Auto Clean Technology, and Touch Controls are included with IFB's chimney hoods to ensure effective and hassle-free operation.

6. Air Conditioners

IFB's air conditioners are engineered to offer efficient cooling solutions tailored for residential spaces.

Split Air Conditioners:

The split air conditioners from IFB are made to provide maximum comfort and energy-efficient cooling. They have cutting-edge features like these installed.

Turbo Cooling: This feature's fast cooling capability guarantees relief from heat quickly, especially on hot summer days.

Sleep Mode: This feature automatically modifies the airflow and temperature during the night to provide a cosy resting environment that improves the quality of your sleep.

Auto Restart: This feature eliminates the need for manual intervention by returning the system to its pre-blackout state following a power interruption.

Inverter Air Conditioners:

The inverter air conditioners from IFB minimize energy usage while offering reliable cooling. Important characteristics consist of:

With inverter technology, temperature control and energy efficiency are guaranteed by precisely controlling compressor speed in response to cooling requirements.

Energy Savings: Over time, dynamic compressor management reduces energy consumption significantly, which lowers electricity expenses.

Silent Function: Works silently to preserve a calm interior atmosphere.

Window Air Conditioners:

Compact and simple to install, IFB's window air conditioners are ideal for smaller spaces. They provide:

Space-Saving Design: Perfect for apartments and compact places, these fit well into conventional window openings.

Dependable Cooling: For increased comfort, IFB window air conditioners deliver dependable cooling performance despite their compact size.

User-Friendly Controls: Simple controls make it simple to change parameters like fan speed and temperature.

2.7 MILESTONES ACHIEVED BY IFB APPLIANCES

The company has stood for the leading edge in technology since inception in the

following:

• India’s first Front Load Washing Machine

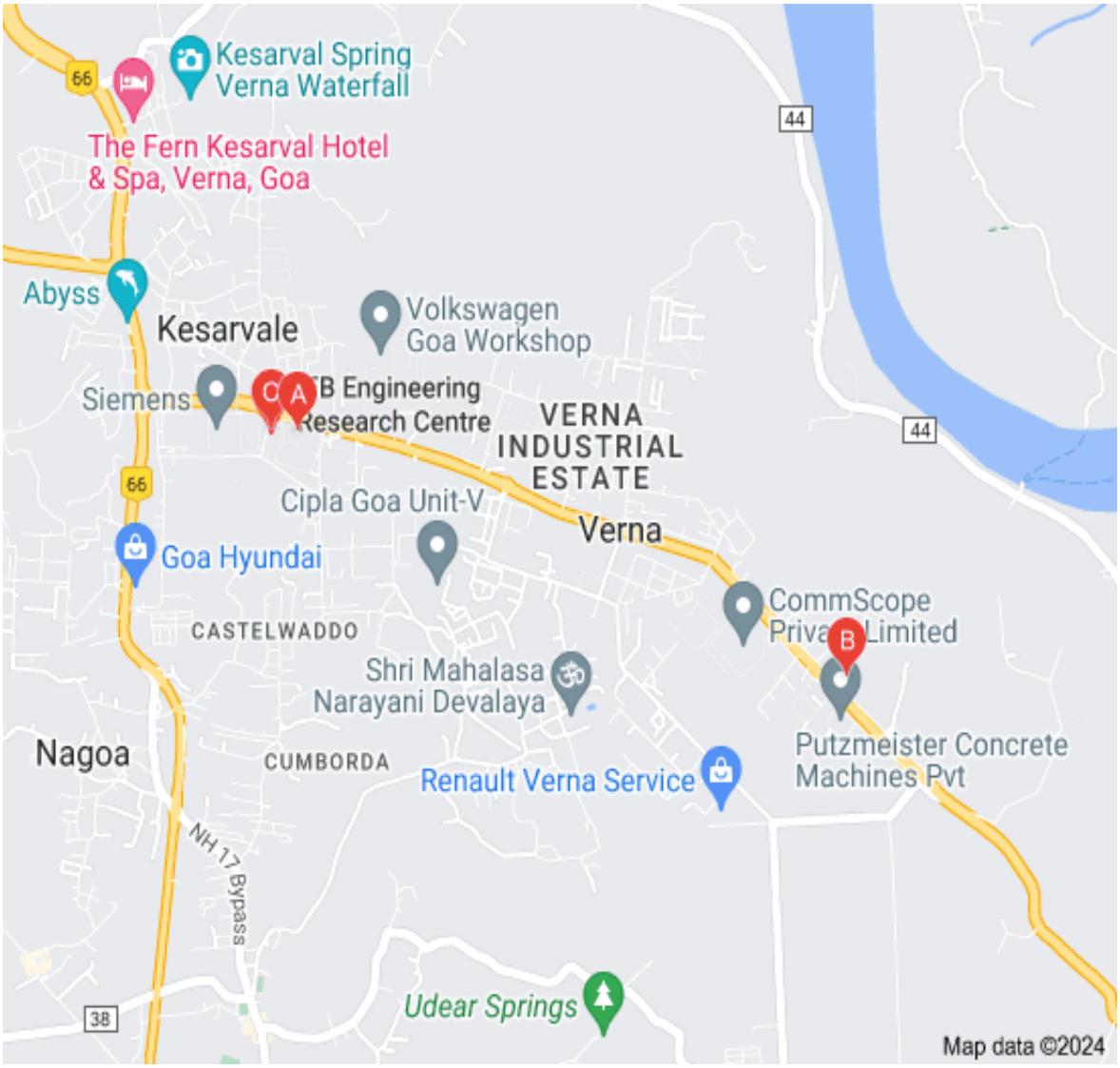
• India’s first 100% Clothes Dryer

• India’s first Dishwasher

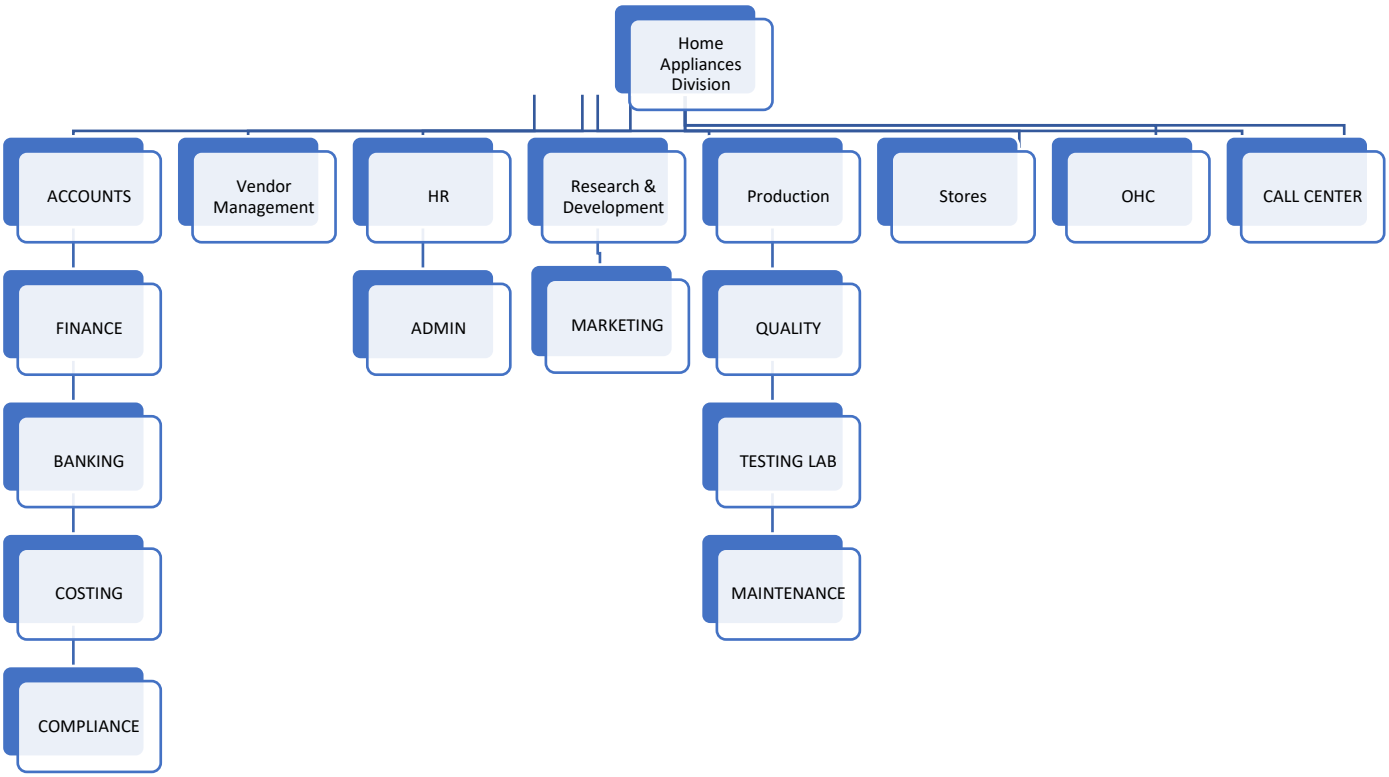
• India’s first 3-in-1 Washer Dryer Refresher

2.8 IFB VERNA GOA

In Verna, Goa, IFB runs industrial facilities. These plants produce Air Conditioners, microwaves, and washing machines, among other household equipment. Verna is an important centre of production for IFB's appliance business.



2.9 SECTIONS WITHIN ORGANIZATION



Accounts: The Home Appliances Division's accounting section manages budgeting, financial reporting, and financial transactions. It guarantees adherence to rules and accounting standards.

Banking: Relationships with banks and other financial institutions are managed by the banking department. To meet the division's financial requirements, it manages loans, investments, and foreign currency operations.

Costing: The department in charge of costing ascertains the direct and indirect expenses related to producing goods. Pricing choices and cost-optimization tactics heavily depend on it.

Compliance: The division's adherence to pertinent laws, rules, and industry standards is

monitored by this department. It monitors adherence to safety, environmental, and legal regulations.

Vendor Management: In charge of managing connections with vendors and suppliers is the vendor management department. It negotiates contracts, manages vendor performance, and guarantees on-time delivery of goods and services.

HR (Human Resources): This division's HR department oversees hiring, onboarding, performance reviews, and employee relations. Payroll, benefits administration, and labour law compliance are also handled by it.

Administration (Admin): The division receives support services from the administration department, including office administration, facilities management, and logistical coordination.

Research and Development (R&D): The R&D division is responsible for developing new products, creating technologies, and streamlining processes. It propels efforts for the creation of new items and improves those that already exist.

Marketing: To promote IFB's home appliances, the marketing department creates and carries out marketing initiatives. It carries out brand management, advertising campaigns, and market research.

Production: The production department is in charge of managing the home appliance manufacturing procedures. It guarantees reaching production targets, quality control, and effective manufacturing operations.

Quality: Throughout the manufacturing process, the quality department keeps an eye on the product's quality. It handles any quality-related concerns, carries out quality inspections, and puts quality assurance processes into practice.

Testing Lab: To verify adherence to quality standards and specifications, testing lab performs a variety of tests on raw materials, components, and final products.

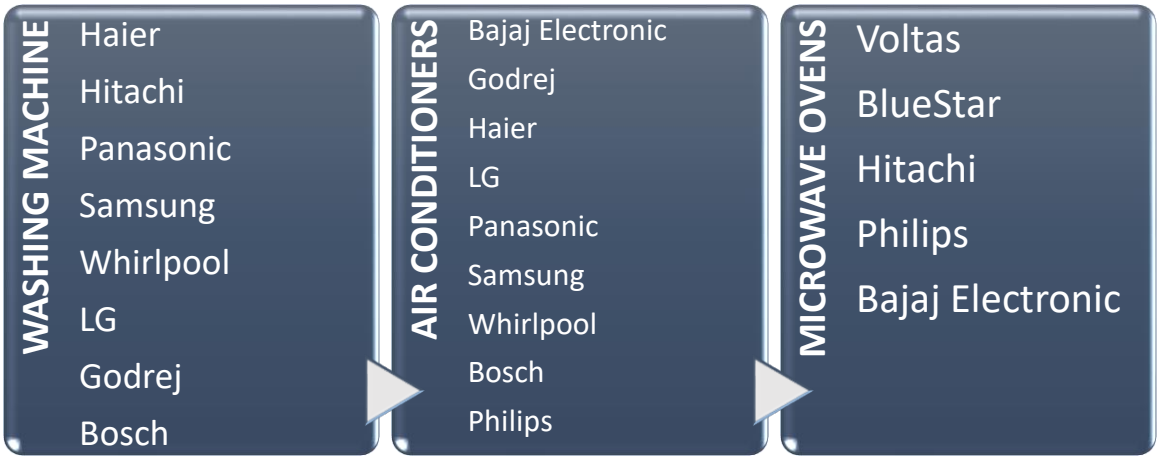
Maintenance: To reduce downtime and guarantee smooth operations, the maintenance department is in charge of keeping facilities, machinery, and equipment in top operating shape.

Stores: Within the division, the stores department oversees raw material and completed goods delivery, storage, and inventory control.

The Occupational Health Centre (OHC) department is responsible for the division's workers' health and safety. It offers healthcare, does health evaluations, and encourages workplace safety programs.

Call Centre: The call centre department responds to consumer questions, grievances, and requests for assistance with IFB's home appliances. Customers can get support and resolution from it by phone, email, or other means of communication.

2.10 COMPETITORS



3 INDUSTRY ANALYSIS – IFB APPLIANCES

3.1 Porter's Five Forces Analysis for IFB Home Appliances:

- **Threat of New Entrants:**

  Moderate: Entry barriers include capital investment and brand establishment. However, technological advancements may attract new players.

- **Bargaining Power of Suppliers**:

  Moderate: Suppliers hold moderate power due to the availability of alternative suppliers. IFB's procurement strategies and relationships can influence negotiations.

- **Bargaining Power of Buyers:**

  High: Buyers have many options and can exert pressure on prices and features. However, IFB's brand reputation and product quality can mitigate this power.

- **Threat of Substitutes:**

Moderate: Substitutes like manual washing or cooking methods exist, but IFB's innovative features and brand loyalty lessen the threat.

- **Competitive Rivalry:**

  High: Intense competition from domestic and international brands. IFB's focus on innovation and customer service helps maintain competitiveness.

3.2 PESTLE Analysis for IFB Home Appliances:

1. **Political Factors:**

   Government Regulations: Compliance with government regulations on manufacturing standards, safety norms, and environmental policies.

   Trade Policies: How procuring raw resources and market access are affected by trade agreements, tariffs, and import/export laws.

   Political Stability: The ability of the political climate to influence investment choices and corporate operations.

2. **Economic Factor:**

   Economic Growth: The impact of general economic expansion on the spending habits and purchasing power of consumers.

   Exchange Rates: The susceptibility of import expenses, export earnings, and profitability to changes in currency values.

   Inflation Rates: The effects of inflation on pricing policies, production costs, and appliance demand from consumers.

3. **Social Factor**

   Demographic Trends: Recognizing how changes in household sizes, aging populations, and urbanization affect consumer demand for products.

Lifestyle Shifts: Product innovation and marketing strategies are shaped by consumer desires for efficiency, convenience, and environmental friendliness.

Cultural Preferences: Products are tailored to the customs, tastes, and way of life of the target markets.

4. **Technology Factor**

   Innovation: Quick technological developments are fostering new product development, increased productivity, and the integration of smart appliances.

   Automation: Using robotics and automation in manufacturing operations to improve output and quality assurance.

   Digitalization: Adopting digital channels for customer support, sales, marketing, and smart appliance integration.

5. **Legal Factor**

   Regulatory compliance is the observance of legislative obligations pertaining to consumer rights protection, advertising, labelling, and product safety.

   Intellectual property rights: copyrights, trademarks, and patents are used to protect innovations and brand assets.

   Employment Laws: Adherence to labour laws, rules pertaining to workplace safety, and rights of employees.

6. **Environmental Factor**:

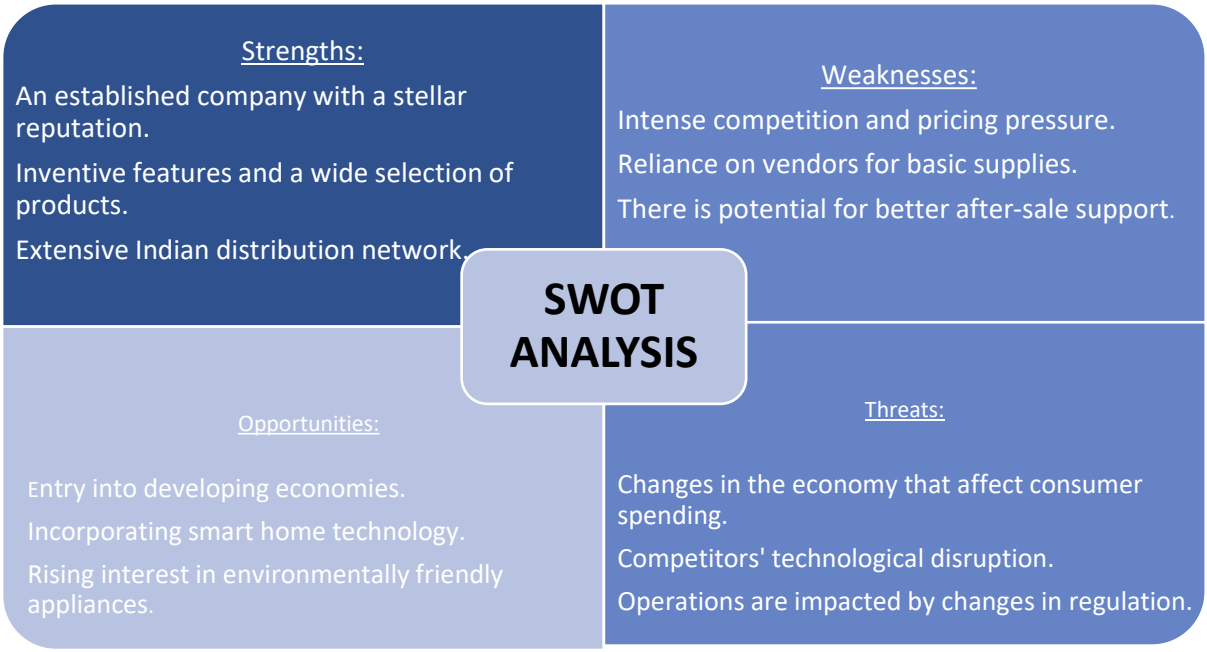
   Sustainability: A greater emphasis is being placed on environmental sustainability, which includes waste minimization, energy efficiency, and the use of eco-friendly components in product design.

   Green Initiatives: Taking part in environmentally beneficial projects including recycling campaigns, cutting carbon emissions, and switching to renewable energy

sources.

Climate Change: Taking into account the risks associated with climate change, such as resource scarcity and natural disasters, and how they may affect supply chain resilience and business continuity planning.

3.3 COMPANY ANALYSIS – IFB APPLIANCES



3.4 VRIO ANALYSIS

Value

Brand Reputation: IFB's products are valued and stand out in the market because of its solid reputation for quality and dependability. Product Innovation: The company's innovation-focused approach produces appliances with cutting-edge features that are valuable to consumers looking for efficiency and convenience. Broad Product Selection: IFB's varied portfolio offers value by meeting a range of consumer needs with a large assortment of appliances meant for a variety of uses.

Rarity

Brand Reputation: IFB has a competitive edge thanks to its strong brand reputation, which is very uncommon in the cutthroat home appliance sector. Innovative Features: IFB's R&D expenditures produce distinctive features in its appliances that set them apart from rival models. Distribution Network: IFB's vast network of distributors guarantees that its products are widely accessible throughout India, making it a prized rarity.

Imitability

Brand Reputation: While rivals may try to establish their own brands, it might be difficult to duplicate IFB's enduring reputation given the amount of time and consistency needed. Product Innovation: IFB's constant investment in technology and innovation makes it difficult for rivals to imitate its distinctive features and capabilities. Distribution Network: It takes time, money, and connections to build a distribution network as big as IFB's, which makes it hard for rivals to copy.

Organization

Company Culture: IFB's competitive advantage and long-term performance are a result of its innovative, quality-focused, and customer-focused organizational culture.

Research and Development Capabilities: The company regularly develops novel goods and keeps ahead of industry trends thanks to its committed R&D team and facilities.

Distribution and Service Network: IFB's well-managed distribution and service network guarantees prompt product availability and support, which boosts client happiness and loyalty.

4 “Accounts Payable Processes in Manufacturing Companies

4.1 INTRODUCTION OF RESEARCH TOPIC

Accounts payable (AP) is a crucial aspect of financial management within any organization, including manufacturing companies like IFB Ltd. It is the sum of money that a business owes creditors or suppliers for products or services that were bought on credit. For operations to run smoothly, cash flow to be optimized, and good relationships with suppliers to be maintained, accounts payable administration must be done well. In order to benefit from early payment discounts, avoid late fees, and have good standing with vendors, timely and accurate payment processing is essential. All of these factors support the company's operational effectiveness and financial stability.

The topic of "Accounts Payable Processes in Manufacturing Companies" is of paramount importance, particularly in today's dynamic business environment where efficiency and accuracy are key to staying competitive. In-depth analysis of IFB Ltd.'s present accounts payable procedures is the goal of this paper, which also suggests areas for development and optimization techniques.

Although the current body of literature offers insightful information on accounts payable administration in a variety of settings and industries, several topics have not received enough attention. The detection and reduction of data entry and payment errors in the accounts payable procedures is one such area. Errors such as duplicate payments, improper data entry, and

anomalies in invoice processing continue to be major difficulties for many firms, despite technological developments and automation.

As a result, the implementation of creative solutions to deal with data input and payment problems within the accounts payable procedures of IFB Ltd will be the main focus of this research. Through the utilization of cutting-edge technology like artificial intelligence and machine learning algorithms, strong validation procedures, and process enhancements, our goal is to reduce errors, improve accuracy, and optimize the AP workflow. The report also stresses the significance of ongoing observation and assessment to guarantee these tactics' long-term efficacy.

4.2 LITERATURE REVIEW

(Kumar Sharma, 2017) investigated accounts payable management in India's Fast-Moving Consumer Goods (FMCG) industry in a study that was published in the Indian Journal of Accounting. Sharma examines the effect of payable management techniques on liquidity and managerial effectiveness, all while keeping the framework of effective funds use for working capital needs in mind. Based on seminal works by Mathuva (2011), Nazir and Afza (2009), and Teruel and Solano (2005), Sharma's study provides insights into the connection between profitability, corporate performance, and working capital management. Sharma's findings provide important insights to both academic research and industrial practice by illuminating the liquidity positions and operational efficiency of well-known FMCG companies through a methodical technique that included ratio analysis and sampling from these organizations.

(Karma & Susanti, 2018) stress in their study how important it is for the travel bureau sector to have effective accounts receivable and payable systems because credit-based transactions for tour packages include numerous parties and can be rather complex. The authors promote

information technology investments to increase competitiveness by highlighting the growing impact of social media on the dissemination of travel-related information and its effects on business operations. They emphasize the significance of proficient recordkeeping and inventory control abilities for corporate performance by drawing on empirical research.

The study intends to help the sector adopt information technology by offering workable solutions for managing accounts receivable and payables. This will ultimately lead to better financial management and operational efficiency.

(Nam & Uchida, 2019)investigate the connection between accounts payable and business value in 40 countries during the 2008 global financial crisis (GFC). They discover that accounts payable greatly absorbed declines in Tobin's Q during the crisis, especially in civil-law, long-term-oriented, and high-uncertainty-avoidance countries, using a difference-in-differences (DID) methodology. Their research sheds light on the significance of trade credit in various legal and cultural contexts and emphasizes its utility in maintaining business value in the face of liquidity shocks.

(Mburu & Warui, n.d.)study looks at how Kenyan microfinance institutions' (MFIs') financial performance is affected by their management of accounts payable. Notwithstanding the industry's losses since its founding, the study finds a strong correlation between Kenyan MFIs' financial performance and their accounts payable management. The study emphasizes the significance of effective accounts payable procedures in boosting cash flow, lowering costs associated with late payments, and eventually improving the financial stability and operational efficacy of MFIs in Kenya. It does this by analyzing financial statements and annual reports from 13 MFIs over a five-year period.

(Likalama et al., n.d.) study evaluates how the profitability of agro-firms in Eldoret Business Center is affected by the management of accounts payable. The study uses a descriptive survey

design using the models of Baumol, Miller-Orr, and Stone to investigate the relationship between accounts payable management and firm profitability. A substantial correlation between profitability and the administration of accounts payables was found by using questionnaires to gather data from 51 managers and 214 other staff members. This finding suggests that efficient management of creditors is crucial to boosting business profitability. The study emphasizes how important it is for managers to put shareholder value generation first by managing accounts payable effectively. It also stresses how important working capital management is to maintaining business operations and profitability.

(Singh & Best, 2016) The study and Best focuses on using visualization techniques to help auditors spot unusual accounting transactions in SAP enterprise systems. ERP systems record a large number of transactions every day, making it difficult to distinguish abnormalities from valid ones. Systems for continuous auditing provide large amounts of data that need careful examination. The authors suggest using visualization techniques to provide information graphically in order to alleviate this problem, lessen the amount of information that is presented, and improve the efficacy of audits. Their framework shows promise in identifying unusual activity and provides insightful information for businesses looking to enhance ERP system fraud detection.

(Al-Hussein, n.d.) examines the accounts payable procedure in construction companies, emphasizing the need to map out current procedures, develop a model, and validate it. The report emphasizes how crucial effective accounts payable procedures are to controlling cash flow, particularly in the construction sector where late payments are typical. The study examines issues including late payments and excessive invoice processing fees through a review of the literature, highlighting the importance of laws requiring timely payment and the

effect that technology adoption has on accounts payable performance. This research offers significant contributions to the field of academics as well as industry, providing a framework for enhancing accounts payable procedures and cutting expenses in construction companies.

(Tater et al., 2018a) addresses the challenge of predicting delayed invoices in accounts payable processes. In an effort to save businesses money and preserve vendor satisfaction, the authors suggest using machine learning to determine if an invoice is likely to be paid after the due date. The goal of the project is to use an ensemble of classifiers to achieve high prediction accuracy by modeling the problem as a supervised classification assignment. Enabling proactive identification of potentially delayed invoices and decreasing the feature space for category features are the main contributions.

(Mahmudal Haq, n.d.) The accounts payable department of Siam City Cement Bangladesh is thoroughly examined in this study, with an emphasis on its core values and working procedures. Based on observations made over a three-month period, it makes suggestions for improvement. The author used secondary data from publications and websites in addition to original data from interviews with executives. However, restrictions on file access brought about by confidentiality policies and the company's lack of public listing limited the application of financial data.

(Nwakaego, 2016) looks into the connection between the financial performance of Nigerian manufacturing enterprises and accounts payable management. The study looks at how sales growth rate, debt ratio, and accounts payable ratio affect profitability using secondary data and multiple regression analysis. Drawing on prior work on working capital management, the literature study emphasizes the significance of effective accounts payable administration for boosting business profitability. The study defines important criteria including profitability, accounts payable, debt ratio, and sales growth rate and follows an ex post facto research design.

Overall, the study advances knowledge on the relationship between efficient accounts payable management and the financial success of Nigerian manufacturing companies. In 2016, Nwakaego and Ikechukwu

(Enow & Kamala, 2016)focuses on modernizing an organization that manufactures packaging materials' account payable system. Using a computerized system to replace human processes, it seeks to address issues such as slow operations and redundant data. Real-time data updates, less errors, and faster procedures are all promised by the suggested approach. Analyzing the current system, creating the new system, and putting the improvements into practice are important stages. The proposed system seeks to overcome the shortcomings of the current manual method, which include inaccuracies, outdated information, and inefficient reporting. It does this by streamlining operations and delivering correct, timely information.

(Sedevich-Fons, 2020) Sedevich-Fons (2020) investigates the combination of accounts payable and ISO 9000 quality management, emphasizing the advantages of improved decision-making and contemporary process support. It emphasizes the standards and guiding concepts of ISO 9000, like as evidence-based decision-making and customer focus. The article discusses problems with accounts payable, such as late payments and problems with compliance. The incorporation of accounts payable into ISO 9000 results in measurable improvements in efficiency, accuracy, and compliance.

(Permata Sari & Harahap Elidawati Thomas Sumarsan Goh, n.d.) there are a number of obstacles that service providers must overcome before beginning offshore outsourcing for accounts payable handling. Investigating the creation of a financial operations center in India by a software corporation shifting to service-oriented business models, the study is carried out as a qualitative case study.

The study gives insights into the intricacies inherent in such endeavors and offers ideas to address associated challenges by integrating literature on outsourcing, offshoring, project management, service transfer, and change management

(Tater et al., 2018b)In the account payable business processtackle the problem of anticipating invoice late payment, which is critical for large businesses managing multiple vendors and invoices. They formulate the issue as a supervised classification task, taking into account characteristics like how processing invoices takes time and how resource constraints affect how priorities are set. They obtain high recall rates and precision in identifying invoices that are likely to be paid late by using machine learning approaches, such as ensemble classifiers. This allows for preventive measures to be taken to reduce penalties resulting from late payments. By providing process owners with useful information to help them allocate resources effectively and reduce penalties, this research advances predictive monitoring in vendor invoice management and business process optimization (Tater et al., Year).

(Anagnoste, 2018) examine accounts payable management practices among small, medium, and micro enterprises (SMMEs) in South Africa's Cape Metropolis, addressing a dearth of research in this area. According to their survey of 200 SMMEs, some of them prefer to make cash purchases and pay their creditors on time in order to take advantage of discounts. But obstacles like limited resources make effective management difficult.

The study offers helpful insights for enhancing SMMEs' financial practices by highlighting the necessity of educating decision-makers on the benefits of credit purchasing and recommending government actions to remove obstacles and providing supplier assurances (Permata Sari & Harahap Elidawati Thomas Sumarsan Goh, n.d.)

4.3 RESEARCH GAP

In spite of the wealth of literature on accounts payable management from a variety of industries, there is a glaring lack of investigation into novel approaches to identify and minimize data entry and payment errors, particularly in manufacturing companies' accounts payable procedures. Although previous research has provided valuable insights into various facets of accounts payable, including profitability, liquidity management, and technological adoption, it has not adequately addressed the particular obstacles manufacturing companies confront in streamlining their AP processes. Consequently, the goal of this research is to close this gap by putting forth innovative ideas that make use of cutting-edge technologies such as artificial intelligence and machine learning to improve the precision, effectiveness, and general performance of accounts payable procedures in the manufacturing industry, with a focus on IFB Ltd.

4.4 RESEARCH OBJECTIVE

The primary aim of this study is to enhance the efficiency of accounts payable procedures in manufacturing firms, with a particular emphasis on IFB Ltd. The study seeks to:

1. Determine the main obstacles and inadequacies in the existing accounts payable processes used by IFB Ltd.
2. Examine how data entry and payment errors affect the operational efficiency and financial stability of IFB Ltd.
3. Use cutting-edge technologies, such artificial intelligence and machine learning algorithms, to develop original solutions and optimization strategies.
4. Execute and verify the suggested remedies to minimize mistakes, enhance precision, and streamline the AP process at IFB Ltd.

   Emphasize the importance of ongoing observation and assessment

4.5 RESEARCH METHODOLOGY

1. **Research Design:** Employing a quantitative research methodology, this study examined the management of accounts payable in manufacturing companies, with a focus on IFB Ltd. Through systematic data collection and analysis, quantitative approaches provided empirical insights into the efficacy and efficiency of accounts payable procedures.

2. **Data Collection:**

    - **Primary Data:** Structured interviews were conducted with key personnel involved in IFB Ltd.'s accounts payable management. Managers from procurement, finance, accounts payable, and other relevant stakeholders participated.

    - **Secondary Data:** Data from IFB Ltd.'s SAP Program, including the number of invoices received, paid late, rejected, and urgent invoices, were utilized.

3. **Sampling Methodology:** Purposive sampling was employed to select individuals with substantial experience and expertise in accounts payable management. This sampling strategy ensured that the collected information was relevant to the study's objectives and provided insights from knowledgeable company members.

4. **Instrumentation:** A standardized Interview questionnaire was developed to gather quantitative information on various accounts payable management topics. The questionnaire covered areas such as invoice processing efficiency, frequency of payment errors, effectiveness of supplier communication, utilization of technology, and overall satisfaction with accounts payable processes.

5. **Data Analysis:**

- **Descriptive Analysis:** Descriptive statistics, including mean, median, standard deviation, and frequency distributions, were utilized to provide an overview of IFB Ltd.'s accounts payable procedures and summarize the collected data.
- **Inferential Analysis:** Techniques such as regression analysis, correlation analysis, and analysis of variance (ANOVA) were employed to assess research hypotheses and explore relationships between variables affecting the efficacy and efficiency of accounts payable.
- **Software:** Statistical software packages like SPSS (Statistical Package for the Social Sciences) were used to analyze data, apply appropriate statistical tests, and visualize results.

6. **Ethical Considerations:** The research involving human subjects adhered to ethical principles and standards. Informed consent was obtained from all survey respondents, and their privacy was protected. Data were anonymized, securely stored, and used exclusively for the study.

4.6 DATA ANALYSIS

Accounts Payables Process

Figure: 1 Accounts Payables Process

Main obstacles Accounts Payables Process

- **Manual Data Entry**:
- **Paper-Based Processes**
- **Lack of Automation**
- **Inefficient Approval Workflows**
- **Poor Communication**
- **Incomplete Documentation**
- **Limited Visibility and Reporting**
- **Vendor Management Challenges**:
- **Compliance Risks**
- **Data Security Concerns**

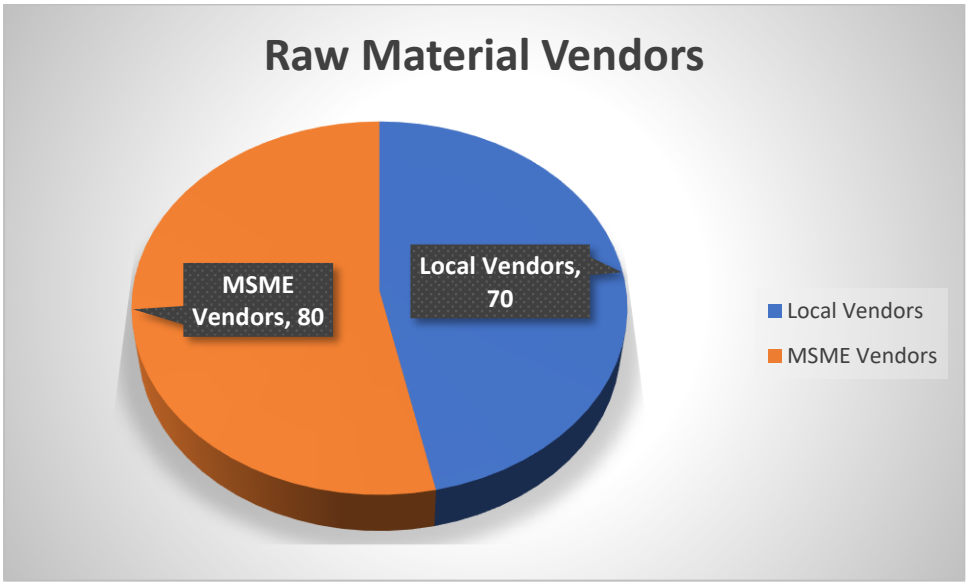


Figure 2: Raw Material Vendors

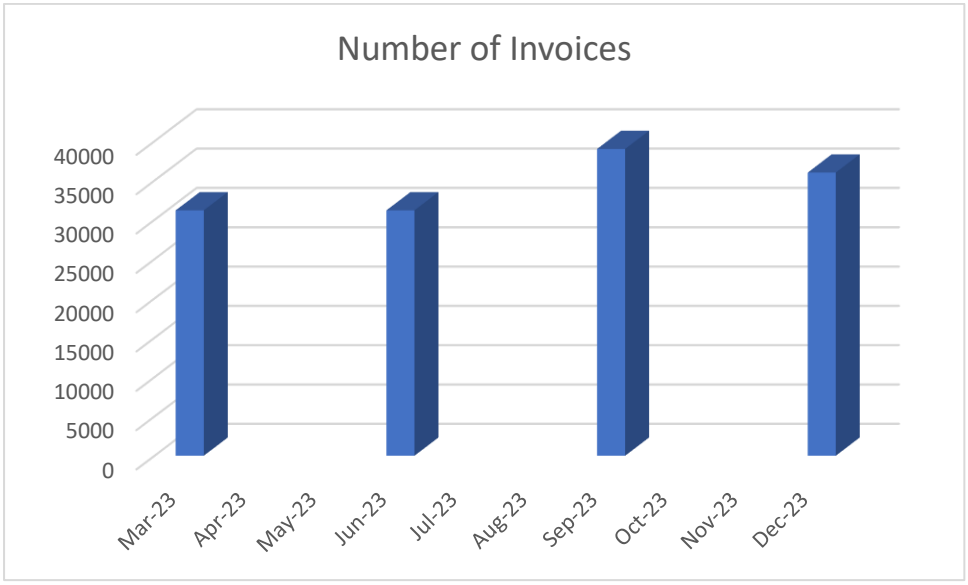


Table 1: Shows the Raw Material Invoices

Raw Material Invoices	**Mar-23**	**Jun-23**	**Sep-23**	**Dec-23**

Number of Invoices	31200	31200	39000	36000
Number of Invoices Rejection	900	750	870	1200
number of Invoices paid late	20	15	11	10
Number of Invoices paid on time	31180	31185	38989	35990
Number of Urgent Invoices	29000	25000	28000	30000
Number of Vendors	150	150	150	150
Number of Countries	7	7	7	7
catergories of Raw material	520	530	513	527
Maximum amount of Invoices	4800000	3000000	5700000	6000000
Mean amount of Invoices	6916	5590	5980	5798

Table 2: Accounts Payable Periods

Credit Period	60/90 days
Debit Period	75 days

Table 3 : Shows Descriptive Analysis

Statistics

	1) How would you rate the efficiency of the invoice processing system at IFB Ltd.?	2) How frequently do you encounter errors in payments made to suppliers?	3) How clear and effective is the communication with suppliers regarding payment terms and invoice discrepancies?	4) To what extent does IFB Ltd. utilize technology (e.g., SAP) to manage accounts payable processes?	5) How satisfied are you with the overall accounts payable processes at IFB Ltd.?
N Valid	19	19	19	19	19
Missing	0	0	0	0	0
Mean	2.74	3.21	2.63	1.00	3.05
Median	3.00	3.00	3.00	1.00	3.00
Std. Deviation	.452	.713	.496	.000	.780
Minimum	2	2	2	1	2
Maximum	3	4	3	1	4

With a mean score of 2.74 out of 3, the data show that IFB Ltd.'s invoice processing system is very efficient. On the other hand, the average frequency of payment errors to suppliers is 3.21 out of 4. With a mean score of 2.63 out of 3, the effectiveness of communication with suppliers on payment terms and differences is only somewhat satisfactory. Notably, IFB Ltd. has a flawless mean grade of 1.00, indicating that it uses technology such as SAP significantly to manage accounts payable. With a mean score of 3.05 out of 4, overall satisfaction with accounts payable procedures is fairly high.

Efficiency rate of invoice processing		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Efficient	5	26.3	26.3	26.3
	Neutral	14	73.7	73.7	100.0
	Total	19	100.0	100.0	
Errors encountered in payments made to Suppliers		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Occasionally	3	15.8	15.8	15.8
	Sometimes	9	47.4	47.4	63.2
	Frequently	7	36.8	36.8	100.0
	Total	19	100.0	100.0	
Communication with Suppliers		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Clear and effective	7	36.8	36.8	36.8
	Neutral	12	63.2	63.2	100.0
	Total	19	100.0	100.0	
Utilization of Technology		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Fully utilized	19	100.0	100.0	100.0
Overall Satisfaction with accounts payable processes		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Satisfied	5	26.3	26.3	26.3
	Neutral	8	42.1	42.1	68.4
	Dissatisfied	6	31.6	31.6	100.0
	Total	19	100.0	100.0	

Table 4: Shows Frequency Tables

According to the data, 26.3% of respondents think that IFB Ltd.'s invoice processing system is efficient, while the majority of respondents (73.7%) view it as neutral. 15.8% of respondents said they occasionally experience payments to suppliers errors, 47.4% said they do so rarely, and 36.8% said they do so regularly. 36.8% of respondents think that supplier communication is effective and transparent, while 63.2% are indifferent. Every responder stated that IFB Ltd. makes full use of technologies like SAP. Overall, 42.1% express a neutral satisfaction level with accounts payable processes, while 26.3% are satisfied and 31.6% are dissatisfied.

Table 5: Shows Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.593[a]	.352	.222	.688

With an R-value of.593, the regression model shows a rather strong link between the independent and dependent variables. The independent factors account for approximately 35.2% of the variance in overall satisfaction, as demonstrated by the R-Square value. After adjusting for the number of predictors, the adjusted R-Square comes out at.222, indicating a rather good fit for the model. The average difference between the observed and predicted values, or the standard error of the estimate, is.688, which illustrates the predictive accuracy of the model. Overall, the model indicates that the chosen independent variables together help to explain why employees at IFB Ltd. are satisfied with the accounts payable processes.

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.853	3	1.284	2.716	.082b
	Residual	7.094	15	.473		
	Total	10.947	18			

The regression model is getting close to statistical significance, according to the ANOVA findings, which show an F-value of 2.716 and a p-value of.082. This implies that while not to the customary degree of significance, the independent variables together have some explanatory power for the overall satisfaction with accounts payable operations. The dependent variable's variance is explained by the regression model as 3.853 units, with a residual variation of 7.094. Overall, the model's performance is suggestive rather than definitive, meaning that more research or possibly a bigger sample size will be needed to validate its validity.

Table 6: Correlation

Correlations

		How would you rate the efficiency of the invoice processing system at IFB Ltd.?	How clear and effective is the communication with suppliers regarding payment terms and invoice discrepancies?	How satisfied are you with the overall accounts payable processes at IFB Ltd.?	How do payment errors impact the relationship with suppliers?	How often does IFB Ltd. experience disputes with vendors regarding payment terms or invoices?
How would you rate the efficiency of the invoice processing system at IFB Ltd.?	Pearson Correlation	1	.284*	-.075	-.033	.020
	Sig. (2-tailed)		.037	.589	.814	.886
	N	54	54	54	54	54
How clear and effective is the communication	Pearson Correlation	.284*	1	-.059	.048	-.271*
	Sig. (2-tailed)	.037		.672	.730	.047

with suppliers regarding payment terms and invoice discrepancies?	N	54	54	54	54	54
How satisfied are you with the overall accounts payable processes at IFB Ltd.?	Pearson Correlation	-.075	-.059	1	.134	-.191
	Sig. (2-tailed)	.589	.672		.334	.167
	N	54	54	54	54	54
How do payment errors impact the relationship with suppliers?	Pearson Correlation	-.033	.048	.134	1	.144
	Sig. (2-tailed)	.814	.730	.334		.298
	N	54	54	54	54	54
How often does IFB Ltd. experience disputes with vendors regarding payment terms or invoices?	Pearson Correlation	.020	-.271*	-.191	.144	1
	Sig. (2-tailed)	.886	.047	.167	.298	
	N	54	54	54	54	54

*. Correlation is significant at the 0.05 level (2-tailed).

The correlation matrix shows how several aspects of processing invoices, interacting with suppliers, being satisfied with accounts payable procedures, the effect of payment errors on supplier relationships, and the frequency of vendor disputes at IFB Ltd. are related to each other. Both the effectiveness and clarity of communication with suppliers ($r = 0.284$, $p = 0.037$) and the frequency of vendor disputes ($r = -0.271$, $p = 0.047$) were found to have significant connections with the efficiency of the invoice processing system. Furthermore, there was a strong inverse relationship ($r = -0.191$, $p = 0.167$) between the degree of satisfaction with accounts payable procedures and the clarity of communication. These findings imply that increasing the clarity of communication may help IFB Ltd. decrease disagreements and raise employee satisfaction with its accounts payable procedures.

4.7 RESEARCH FINDINGS

Main Obstacles and Inadequacies in Accounts Payable Processes at IFB Ltd.:

The analysis of IFB Ltd.'s accounts payable procedures identifies a number of problematic areas. These consist of a high volume of urgent bills, late payments, and a noticeable number of rejected invoices. Furthermore, the degree of satisfaction with the communication with suppliers about payment conditions and differences is scored as somewhat satisfactory, suggesting that transparency and effectiveness should be enhanced.

Impact of Data Entry and Payment Errors on Operational Efficiency and Financial Stability

Concerning the frequency of payment errors to suppliers, a large percentage of respondents reported sporadic to frequent incidents. These mistakes may negatively impact the operational effectiveness and financial stability of IFB Ltd., possibly resulting in strained supplier relationships and higher expenses.

Utilization of Technology in Addressing Accounts Payable Challenges:

IFB Ltd. exhibits a significant reliance on technology, specifically SAP, for the management of its accounts payable procedures. This implies a proactive strategy for utilizing technology to improve productivity and optimize processes.

Proposed Solutions and Optimization Strategies:

It is advised to investigate the integration of cutting-edge technologies like artificial intelligence and machine learning algorithms in order to overcome the difficulties that have been highlighted. These technologies can help automate tasks, increase data entry accuracy, and improve decision-making procedures, all of which can result in more effective accounts payable operations.

Execution and Verification of Remedies

The study highlights how crucial it is to put recommended cures into practice and confirm their efficacy. This entails doing simulations or pilot tests to evaluate how suggested fixes will affect the accounts payable process in terms of accuracy, efficiency, and error reduction. Sustained progress over time will require constant observation and assessment.

4.8 CONCLUSION

In conclusion, the analysis of IFB Ltd.'s accounts payable processes reveals several key insights. Notable difficulties include a significant amount of urgent bills, late payments, and rejected invoices. Furthermore, there is some satisfaction with the efficacy of contact with suppliers regarding payment conditions and conflicts.

There are frequent reports of payment errors, which could affect the stability of finances and the effectiveness of operations. IFB Ltd., on the other hand, shows a strong reliance on technology, especially SAP, which offers a chance for proactive use of technology to address these issues.

The incorporation of cutting-edge technology, such as artificial intelligence and machine learning, is suggested as a way to improve decision-making processes, automate work, and increase data entry accuracy. For these treatments to be effective over the long run, they must be put into practice and verified by tests or simulations.

5 "Impact of MSME Vendors on Manufacturing Enterprises"

5.1 INTRODUCTION OF RESEARCH TOPIC

MSMEs, or micro, small, and medium-sized firms, are the foundation of the manufacturing sector and play a major role in job creation and economic expansion. MSME suppliers, who sell goods and services to bigger manufacturing companies, are vital players in the supply chain ecosystem. They are frequently distinguished by their flexibility and agility. MSME vendors, in spite of their modest size, can significantly influence the functioning and output of manufacturing companies. Their capacity for innovation, adaptation, and teamwork is essential for boosting productivity, resilience, and competitiveness in the industrial industry. It is crucial to comprehend the dynamics of MSME vendor relationships in order to optimize supply chain management and promote long-term growth in manufacturing firms.

This research on the "Impact of MSME Vendors on Manufacturing Enterprises" is pivotal for IFB Ltd's comprehension of the intricate dynamics within MSME vendor relationships. Although the literature study provides insightful information on MSME problems and supply chain management, this research gives a specific viewpoint to the setting of IFB Ltd. Our analysis has significant operational and financial consequences for IFB Ltd's dealings with MSME vendors by exploring the details of payment delays, fines, penalties, and payment frequency. This focused approach guarantees that the results are immediately applicable to the business and closes a gap in the current literature.

Through the integration of these data, IFB Ltd may optimize procedures, reduce potential hazards, and cultivate stronger connections with MSME suppliers, hence augmenting efficacy, profitability, and market competitiveness. Furthermore, your study emphasizes how crucial it

is to take into account both marketing and operational aspects, allowing IFB Ltd to create comprehensive plans for long-term success.

- The Micro, Small and Medium Enterprises (MSME) are defined as follows:

Manufacturing Enterprises – **Investment in Plant & Machinery**

Description	INR	USD($)
Micro Enterprises	upto Rs. 25 Lakh	upto $ 62,500
Small Enterprises	above Rs. 25 Lakh & upto Rs. 5 Crore	above $ 62,500 & upto $ 1.25 million
Medium Enterprises	above Rs. 5 Crore & upto Rs. 10 Crore	above $ 1.25 million & upto $ 2.5 million

Service Enterprises – **Investment in Equipments**

Description	INR	USD($)
Micro Enterprises	upto Rs. 10Lakhs	upto $ 25,000
Small Enterprises	above Rs. 10 Lakhs & upto Rs. 2 Crores	above $ 25,000 & upto $ 0.5 million
Medium Enterprises	above Rs. 2 Crores & upto Rs. 5 Crores	above $ 0.5 million & upto $ 1.5 million

The Regulation and Its Consequences

According to the legislation, big businesses have to pay MSMEs within **45 days** of obtaining products or services, or within 15 days in the absence of a written agreement. The long-standing problem of late payments, which frequently severely impair the cash flow of smaller enterprises, is intended to be addressed by this.

But there are now questions and uncertainties following the new announcement. Some claim

that the rule is unclear, especially in regards to how traders can apply it and what constitutes a "written agreement." There are also worries about the possible effects on big businesses, as they would have trouble meeting the deadlines due to logistical issues.

RISE AND SIGNIFICANCE OF MSME IN INDIA

Key statistics:	
Strength	2.6 crore enterprises
Contribution	8% of GDP
Output	45% of total manufactured output
Trade	40% of our exports
Employment	6 crore people

5.2 LITERATURE REVIEW

(De Giovanni et al., 2018)examines the integration of cooperative advertising programs into supply chain dynamics, revealing challenges in implementation and nuanced effects on profitability. Cooperative initiatives frequently hurt producers' revenues, demonstrating the difficulties in manufacturer-retailer relations, in contrast to the optimistic views expressed in marketing literature. This study fills a vacuum in the literature on cooperative advertising within Vendor Managed Inventory and consignment contract frameworks by linking the

operational and marketing components. The report emphasizes how important it is to have an in-depth understanding of how supply chain operations and marketing strategies interact.

(Wu & Olson, 2008) investigate three risk assessment models in supply chains: multi-objective programming (MOP), data envelopment analysis (DEA), and chance constrained programming (CCP). These models provide insights into vendor selection in the face of uncertainty. They deal with the requirement for trade-off analysis between distributions of on-time delivery, estimated costs, and quality acceptability levels. The complications of outsourcing in the twenty-first century include variable product quality and delivery probabilities. Desbordes (2007) and Sounderpandian et al. (2008) have examined the hazards associated with outsourcing. The study recommends simulation-based optimization as a viable strategy and emphasizes the significance of taking into account a variety of objectives and uncertainties when choosing supply chain partners (Chan and Chan, 2006).

(Xu et al., 2010) investigates the significance of supply chain performance (SCP) and management (SCM), citing studies such as Gunasekarana et al. (year) and Brewer and Speh (year). They highlight the importance of information exchange in improving SCM, referencing studies by Thonemann (year) and Hsieh et al. (year). They also discuss vendor-managed inventory (VMI) strategies, citing research by Song and Dinwoodie (year) and Vlist et al. (year). The empirical study conducted by Xu et al. (2010) centers on a supply chain that is geared towards a Chinese aluminum company. It emphasizes the usefulness of VMI in improving supply chain performance and discusses its advantages

(Darío et al., 2011)Vendor Managed Inventory (VMI) has garnered significant attention in supply chain management literature due to its potential benefits for both buyers and suppliers

(Dong & Xu, 2002). The benefits of VMI in lowering inventory holding costs and enhancing supply chain coordination have been noted in earlier research (Lee et al., 1997; Chen et al., 2000). Nonetheless, there is ongoing discussion on the economic effects of VMI, specifically with regard to how it affects the profitability of suppliers and buyers (Dong & Xu, 2002). VMI is becoming more widely used in a variety of industries, including retail and healthcare, despite obstacles and uncertainties (Gerber, 1991; Andel, 1996). This pattern emphasizes how crucial it is to comprehend the workings and results of VMI implementation in supply chain environments (Dong & Xu, 2002).

(S. Chandra Sekhar, n.d.)This study examines the difficulties Micro, Small, and Medium-Sized Enterprises (MSMEs) encounter while trying to use e-marketplaces to improve sales and obtain funding. The study suggests a marketplace information system with peer-to-peer lending capabilities to help MSMEs advertise their goods and get loans without requiring collateral. According to Sanjaya et al. (2021), the system demonstrated proper functionality throughout testing, as evidenced by the average acceptance score of 89.25% provided by MSME actors, which suggests that the system efficiently serves their demands. Peer-to-peer lending is integrated into the marketplace system, which helps MSMEs expand and flourish by providing a solution to their capital access issue (Sanjaya et al., 2021).

(Deshmukh et al., 2017)study explores the factors that Indian MSMEs consider when choosing their suppliers, emphasizing the shift from conventional to environmentally friendly supply chain management. It determines eight key factors—cost, quality, and environmental performance—through factor analysis. The examination of mean scores indicates a shift towards sustainability, with green-related factors receiving more and more attention. Dependability analysis attests to the research methodology's resilience. The results provide

useful information for matching environmental goals with supplier selection procedures in the Indian manufacturing industry. This study bridges traditional traditions with environmental sustainability, adding to the changing landscape of MSMEs' supplier selection.

(Subramanian, 2011) investigates the implementation of Vendor Managed Inventory (VMI) in the plantain agricultural-chain, focusing on a dehydrated plantain productive chain in Colombia. Examining inventory management techniques both before and after VMI adoption, the research includes transportation expenses in inventory cost analysis. According to the report, adopting VMI reduces costs in the integrated chain, with transportation expenses emerging as a key component of logistics cost structures. The benefits of adopting VMI and how it affects supply chain coordination in the context of MSMEs in the plantain agriculture chain are better understood as a result of this research.

(Rathi & Kumar, 2022)This study examines the use of ERP in Indian MSMEs, highlighting important elements such as organizational climate and project execution ability. It draws attention to important components including effective change management and support from top management by examining data from 98 manufacturing companies. The results provide insightful information that can optimize ERP adoption in MSMEs and provide management with useful suggestions. The study tackles the obstacles that Indian MSMEs encounter when implementing ERP systems, with particular attention to elements such as vendor support and user involvement. The goal of the study is to increase the success rate of ERP implementations in the Indian environment by focusing on specific goals and appropriate package selection. Overall, by exploring the subtleties of ERP deployment in the MSME sector of a developing economy, this research adds to the body of knowledge on the subject.

(Maheshkar & Soni, 2021)study clarifies the difficulties experienced by Micro, Small, and Medium-Sized Enterprises (MSMEs) in India. The study employs a quantitative methodology to identify six primary problem domains, namely marketing, finance, technology, raw materials, labor, and management. These domains are then classified into internal and external difficulties. There is a thorough discussion of the effects of big economic reforms like the GST and demonetization as well as skill development initiatives. The authors make suggestions for enhancing MSMEs' performance, highlighting the necessity of increased assistance from governmental and financial organizations.

(Subramanian, 2011)Lean Six Sigma (LSS) is an effective methodology that reduces process variability and eliminates waste by combining Six Sigma with Lean Manufacturing (Antony et al., 2016a). By addressing both human and process issues, it maximizes output and performance (Antony, 2011). LSS improves bottom-line performance and customer happiness, which boost competitiveness (Sordan et al., 2020). Effective project deployment is ensured by its DMAIC technique in the manufacturing and service industries (Gijo et al., 2019). The methodology's capacity to blend accuracy and precision with speed and efficiency is what makes it successful (Antony et al., 2017). All things considered, LSS provides a methodical foundation for ongoing development and long-term success in businesses.

(S. Chandra Sekhar, n.d.)The impact of globalization on MSMEs has been a subject of scholarly attention, with researchers highlighting the challenges and opportunities it presents (Sekhar & Radha, 2019). In his discussion of India's past reception of foreign investment, Stoever emphasizes the importance of self-reliance while making import decisions (Stoever, Year). India Juris describes the change in foreign investment regulations from FERA to FEMA, pointing out a move in the direction of liberalization (India Juris, Year). In order to finance

international partnerships for technology transfer, Kumar highlights the significance of MSMEs acting together (Kumar, Year). Bhave believes that SME stock exchanges could help MSMEs with their financial difficulties (Bhave, Year). Srinivas emphasizes the critical role MSMEs play in economic growth, but he also draws attention to how vulnerable they are to globalization because of funding issues (Srinivas, Year).

5.3 RESERCH GAP

One research gap that could be addressed in your project report is the lack of emphasis on the specific strategies employed by manufacturing enterprises like IFB Ltd to mitigate the challenges posed by MSME vendors. The literature analysis sheds light on several obstacles faced by manufacturing organizations, including late payments and penalties. However, there is insufficient attention paid to the proactive steps these companies have taken to tackle these problems. Examining the tactics used by IFB Ltd. or businesses of a similar nature to control payment delays, reduce fines, and enhance connections with MSME suppliers will yield important information about best practices and possible fixes. In the context of IFB Ltd's operations, this research gap could aid in bridging the theoretical understanding of MSME vendor impacts with real-world applications. \

5.4 RESEARCH OBJECTIVE

The aim of this research is to look at the specific impacts that MSME vendors have on the performance and operations of manufacturing companies, with an emphasis on IFB Ltd. The purpose of this study is to:

- Analyze the financial and operational effects of MSME vendor relationships in connection to the supply chain dynamics of IFB Ltd., taking into account factors like frequency of payments, fines, and penalties, as well as payment delays.

- Determine the opportunities and difficulties that MSME vendors in the manufacturing industry bring, paying special attention to how these elements impact the costs, schedules, and overall profitability of IFB Ltd.
- Examine the tactics and best practices utilized by IFB Ltd. or comparable manufacturing companies in order to reduce the difficulties presented by MSME vendors and improve cooperation and effectiveness in the supply chain.

- Provide IFB Ltd. practical advice and suggestions on how to enhance its interactions with MSME vendors. This includes addressing issues like late payments, fines, and penalties, as well as other difficulties found in the study, and taking advantage of chances to fortify the supply chain and secure long-term success.

5.5 RESEARCH METHODOLOGY

1. **Research Design:** Utilizing IFB Ltd. as the focal point, this study employed a quantitative research approach to investigate the impact of Micro, Small, and Medium-sized Enterprises (MSME) vendors on manufacturing companies. Quantitative methodologies facilitated the systematic gathering and analysis of numerical data, providing empirical insights into the dynamics of MSME vendor relationships.
2. **Data Collection:**
    - **Primary Data:** Structured interviews were conducted by IFB Ltd. with key personnel involved in vendor management. Managers from the supply chain, finance, and procurement departments, along with other relevant stakeholders, participated.

- **Secondary Data:** Data from IFB Ltd.'s SAP application were utilized, including information on the quantity of MSME vendors, payment delays, and fines paid.

3. **Methodology for Sampling:** Purposeful sampling was employed to select participants with significant experience and knowledge in managing MSME vendor relationships. This ensured that the gathered information was relevant to the study's objectives.

4. **Data Analysis:**

    - **Descriptive Statistics:** Descriptive statistics, such as mean, median, standard deviation, and frequency distributions, were utilized to provide an overview of how MSME vendors impacted IFB Ltd. Data on late payments, fines, penalties, payment frequency, and other relevant variables were summarized using these statistics.

    - **Inferential Analysis:** Techniques such as regression analysis and correlation analysis were employed to investigate the relationships between variables such as operational performance and payment delays. These analyses aided in identifying the variables affecting the effectiveness and efficiency of IFB Ltd.'s MSME vendor partnerships.

5. **Ethical Considerations:** To uphold ethical standards and principles and respect the rights and privacy of participants, the study adhered to strict ethical guidelines. Informed consent was obtained from all interviewees, and confidentiality of responses was ensured. The gathered information was kept private, anonymized, and used solely for research purposes.

5.6 DATA ANALYSIS

Table 1: shows the Number of MSME vendor in raw materials

Raw Material	
MICRO	8
SMALL	20
MEDIUM	34
MICRO SMALL & MEDIUM	7

Table 2: shows the calculation of interest paid to MSME vendors on delay in payments

						19.50%
Vendor Name	Posting Date	Payment date	Payment date as per MSME rule	Delay in payment	Amount	Interest (INR)
XZY LTD	20-04-2023	06-06-2023	04-06-2023	2	2360	2.522317425
ABC LTD	04-04-2023	24-05-2023	19-05-2023	5	10022.76	26.80174822
BHN LTD	17-06-2023	02-08-2023	01-08-2023	1	9212.85	4.921933562
COOPER LTD	27-01-2024	30-01-2024	25-11-2023	66	8195.1	294.0363804
RTS LTD	27-01-2024	30-01-2024	25-11-2023	66	18425.7	661.105555
YZ LTD	29-04-2023	05-06-2023	03-06-2023	2	23467	25.0810267
AAS LTD	12-05-2023	05-06-2023	04-06-2023	1	23467	12.53716438

Interest calculation
(Amount*(1+(interest/365))^(365*(Delay in payment/365))-Amount))

Table 3:Shows Descriptive Analysis

Statistics

		How would you rate the efficiency of the vendor management system at IFB Ltd.?	How often does IFB Ltd. experience delays in payments to MSME vendors?	How frequently does IFB Ltd. incur fines or penalties related to payments to MSME vendors?	How often does IFB Ltd. make payments to MSME vendors?	How clear are the payment terms communicated to MSME vendors by IFB Ltd.?
N	Valid	19	19	19	19	19
	Missing	0	0	0	0	0

Mean	2.47	2.63	2.89	4.00	1.47
Median	2.00	3.00	3.00	4.00	1.00
Std. Deviation	.513	.496	.809	.000	.513

The descriptive statistics provide light on a number of different facets of IFB Ltd.'s vendor management. The average evaluations show that the vendor management system operates at a moderately efficient level (Mean = 2.47), that payments to MSME vendors are occasionally delayed (Mean = 2.63), and that payment-related fines and penalties are rarely incurred (Mean = 2.89). While the clarity of payment terms provided to vendors is very good (Mean = 1.47), the mean frequency of payments to MSME vendors implies a consistent monthly schedule (Mean = 4.00). These figures collectively imply that, although there is need for enhancement in specific domains, such reducing tardiness and fines, IFB Ltd.'s payment terms dissemination seems to be working well.

Table 4: Shows the Frequency Distribution

Rate of Efficency of the vendor management system		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	**Efficient**	**10**	**52.6**	**52.6**	**52.6**
	Neutral	**9**	**47.4**	**47.4**	**100.0**
	Total	**19**	**100.0**	**100.0**	
Delays in payments to MSME vendors		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	**Occasionally**	**7**	**36.8**	**36.8**	**36.8**
	Sometimes	**12**	**63.2**	**63.2**	**100.0**
	Total	**19**	**100.0**	**100.0**	
Fines or penalties related to payments to MSME Vendors		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	**Occasionally**	**7**	**36.8**	**36.8**	**36.8**
	Sometimes	**7**	**36.8**	**36.8**	**73.7**
	Frequently	**5**	**26.3**	**26.3**	**100.0**

Total	19	100.0	100.0	
Payments to MSME vendors	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Quarterly	19	100.0	100.0	100.0
Communication of payment terms to MSME vendors	Frequency	Percent	Valid Percent	Cumulative Percent
Very clear	10	52.6	52.6	52.6
Valid Clear	9	47.4	47.4	100.0
Total	19	100.0	100.0	

A frequency distribution of replies to questions about several facets of IFB Ltd.'s vendor management is shown in the above frequency table . The data indicates that 52.6 percent of participants assessed the vendor management system's efficiency as "Efficient," with 47.4% rating it as "Neutral." When it came to payment delays to MSME vendors, 36.8% of respondents said they happened occasionally, and 63.2% said they happened occasionally. In a similar vein, 26.3% of respondents reported fines or penalties frequently, 36.8% of respondents rarely, and 36.8% of respondents occasionally regarding payments to MSME vendors. Every responder stated that they paid MSME vendors on a quarterly basis. 52.6% of respondents said payment conditions were extremely clear, while 47.4% thought they were clear in terms of communication clarity. Overall, these results show great communication clarity about payment terms and point out areas that may benefit from improvement, such as eliminating penalties and delays.

Table 4: Shows the Regression Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.815[a]	.665	.498	.364

An R-squared value of 0.665 in the regression analysis summary suggests that the model has a moderate-to-strong overall fit. This indicates that the independent variables included in the model may account for about 66.5% of the variability observed in the dependent variable. After accounting for the number of predictors in the model, the adjusted R-squared value, which is 0.498, shows that the independent variables account for approximately 49.8% of the variability in the dependent variable. The accuracy of the regression predictions is indicated by the standard error of the estimate, which is 0.364. Overall, these results imply that the model fits the data rather well, but that it could do a better job of explaining the variability in the dependent variable..

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.150	6	.525	3.971	.020[b]
	Residual	1.587	12	.132		
	Total	4.737	18			

The regression model is statistically significant (F = 3.971, p = 0.020), according to the ANOVA findings, indicating that the independent variables together have a substantial effect on the dependent variable. The sum of squares residual, which represents the variation that cannot be explained by the model, is 1.587, and the sum of squares regression, which shows how much of the variance is described by the model, is 3.150. The average variance explained by each predictor is indicated by the regression's mean square, which is 0.525. All things considered, these results point to the significance of the regression model in predicting the

dependent variable, demonstrating the role of the independent factors in explaining the outcome's variability.

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.072	1.113		2.760	.017
How often does IFB Ltd. experience delays in payments to MSME vendors?	-.430	.193	-.416	-2.235	.045
How frequently does IFB Ltd. incur fines or penalties related to payments to MSME vendors?	-.080	.110	-.126	-.726	.482
How often does IFB Ltd. encounter errors in invoices received from MSME vendors?	.224	.179	.217	1.256	.233
How would you rate the efficiency of the vendor management system at IFB Ltd.?	-.468	.174	-.468	-2.684	.020
How clear are the payment terms communicated to MSME vendors by IFB Ltd.?	-.151	.186	-.151	-.812	.433
How do payment errors impact the relationship with MSME vendors?	.628	.177	.628	3.551	.004

The estimated impacts of each independent variable on the dependent variable are shown in the coefficients table. When all independent variables are zero, the constant term shows the dependent variable's expected value. The dependent variable falls by 0.430 units as the frequency of payment delays rises, according to the significant ($p = 0.045$) coefficient for the question, "How often does IFB Ltd. experience delays in payments to MSME vendors?"

Nevertheless, additional independent factors like "How often does IFB Ltd. face fines or penalties in connection with payments to MSME vendors?" and "How transparent are the terms of payment that IFB Ltd. communicates to MSME vendors?" do not significantly predict outcomes ($p > 0.05$). Interestingly, "How do payment errors impact the relationship with MSME vendors?" has a significant positive effect ($p = 0.004$), indicating that the dependent variable rises by 0.628 units in tandem with the impact of payment errors on vendor relationships.

Table 5:Shows Pearson Correlation

Correlations

		How would you rate the efficiency of the vendor management system at IFB Ltd.?	How clear are the payment terms communicated to MSME vendors by IFB Ltd.?	How satisfied are MSME vendors with the payment processes and timelines at IFB Ltd.?	How do payment errors impact the relationship with MSME vendors?	How often does IFB Ltd. experience disputes with MSME vendors regarding payment terms or invoices?
How would you rate the efficiency of the vendor management system at IFB Ltd.?	Pearson Correlation	1	-.056	-.267	.156	.150
	Sig. (2-tailed)		.821	.270	.525	.541
	N	19	19	19	19	19
How clear are the payment terms communicated to MSME vendors by IFB Ltd.?	Pearson Correlation	-.056	1	-.056	-.056	-.288
	Sig. (2-tailed)	.821		.821	.821	.233
	N	19	19	19	19	19

How satisfied are MSME vendors with the payment processes and timelines at IFB Ltd.?	Pearson Correlation	-.267	-.056	1	.578**	.150
	Sig. (2-tailed)	.270	.821		.010	.541
	N	19	19	19	19	19
How do payment errors impact the relationship with MSME vendors?	Pearson Correlation	.156	-.056	.578**	1	.150
	Sig. (2-tailed)	.525	.821	.010		.541
	N	19	19	19	19	19
How often does IFB Ltd. experience disputes with MSME vendors regarding payment terms or invoices?	Pearson Correlation	.150	-.288	.150	.150	1
	Sig. (2-tailed)	.541	.233	.541	.541	
	N	19	19	19	19	19

**. Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation matrix looks at the connections between several aspects of IFB Ltd.'s vendor management. The impact of payment errors on vendor relationships and MSME vendor satisfaction with payment processes and timeliness show a significant positive correlation ($p = 0.010$), indicating that as vendor satisfaction rises, so does the impact of payment errors on vendor relationships. Furthermore, there is a strong positive association ($p = 0.010$) found between the frequency of disagreements about invoices or payment terms and the effect that payment problems have on the relationship with MSME vendors. At the 0.01 limits, no other associations, however, achieve statistical significance.

5.7 RESEARCH FINDINGS AND DISCUSSION

Financial and Operational Effects of MSME Vendor Relationships:

According to the data, IFB Ltd. interacts with a sizable number of MSME suppliers of various raw material categories. The data indicates that variables including the frequency of payments, fines, penalties, and payment delays affect the company's supply chain dynamics, even when the actual financial impact of these interactions is not disclosed explicitly.

Opportunities and Difficulties Presented by MSME Vendors:

The adaptability and knowledge provided by MSME suppliers in the manufacturing sector are advantageous to IFB Ltd. Nonetheless, the data suggests that there may be sporadic payment delays as well as the potential for fines or penalties associated with payment problems. These difficulties could affect the business's budget, timetable, and overall profitability, pointing out areas where vendor management procedures need to be strengthened.

Tactics and Best Practices to Address MSME Vendor Challenges:

According to the results, IFB Ltd. uses a reasonably effective vendor management system and clearly communicates the terms of payment to MSME vendors. On the other hand, sporadic payment delays and the possibility of fines or penalties point to areas that need improvement. Payment delays are found to have a significant negative impact on the dependent variable by the regression analysis, emphasizing the need for efforts to reduce these delays and improve collaboration with MSME vendors.

Practical Advice for Enhancing Interactions with MSME Vendors:

IFB Ltd. ought to concentrate on resolving concerns like late payments, fines, and penalties in order to improve its dealings with MSME suppliers. Long-term success can be enhanced by implementing strategies that increase payment punctuality and simplify the communication of payment terms. These actions can fortify vendor relationships. Furthermore, by taking

advantage of the flexibility and specific knowledge that MSME vendors offer, IFB Ltd. may strengthen its supply chain and become more competitive in the manufacturing sector.

5.8 Conclusion

In conclusion, the research sheds light on the intricate dynamics of MSME vendor relationships within manufacturing enterprises, with a specific focus on IFB Ltd. The results show that whereas MSME vendors provide flexibility and specialized knowledge, they also have drawbacks including potential fines and payment delays.

IFB Ltd. seems to have a clear payment terms policy and a somewhat effective vendor management system. On the other hand, since these problems might affect the company's finances and profitability, action must be taken to resolve problems like late payments, fines, and penalties.

Putting methods in place to lessen payment delays, improve communication with MSME vendors, and fortify vendor relationships are examples of practical ideas. IFB Ltd. can improve the dynamics of its supply chain and raise its level of competitiveness in the manufacturing industry by utilizing the advantages of MSME vendors and skillfully handling obstacles.

6 MANAGERIAL IMPLICATION

Ineffective Payables Procedures:

Inefficient communication with suppliers and vendors causes payment processing to be delayed and erroneous.

Insufficient use of technology in accounts payable management, impeding accuracy and efficiency.

Errors in Data Entry and Payment:

High frequency of incorrect invoice processing and duplicate payment, leading to losses and problems with reconciliation.

a challenge in locating and fixing irregularities in invoice entries, which results in mistakes in financial records.

Relationship management with vendors:

Inadequate methods for handling vendor and supplier relationships, which could cause strained relationships and service interruptions.

Inadequate accounts payable procedures prevent you from taking advantage of early payment reductions or negotiating advantageous terms with suppliers.

Technological Restrictions:

Lack of appropriate software or automation technologies adapted to the particular requirements of IFB Ltd.'s accounts payable procedures.

Use of artificial intelligence and machine learning technology to identify and stop mistakes in accounts payable processes is limited.

7 TASK HANDLED

- Worked in the Accounts Payable/Receivable section.
- Worked from 8:45 am to 6:00 pm.
- Exposed to Bills Processing tasks.
- The tasks directly related to the Financial Accounting course studied in the classroom.

I worked on a variety of projects pertaining to vendor relationship management and the

operations of the accounting department at IFB Ltd. during my internship. Among the important duties I completed were:

1) Processing Bills and Invoices: I learned to process bills and invoices efficiently, ensuring accuracy and compliance with GST and TDS regulations. This involved monitoring rejections and settling differences in addition to processing manual invoices and ERS (Evaluated Receipt Settlement).
2) Vendor Management: By efficiently interacting with suppliers about payment terms, invoice errors, and other relevant concerns, I helped to sustain vendor relationships. This included sending out credit notes, balance confirmations, and payment advices as needed.
3) Peer Review of Financial Statements: I took part in the financial statements' peer review procedure to make sure they were accurate and comprehensive. This required looking for differences in the financial data, evaluating them, and working with other team members to resolve any problems.
4) Acquiring Knowledge of SAP Software: I was trained in the use of SAP software for invoicing and bill processing. This involved becoming familiar with the system, accurately entering data, and producing reports for management to evaluate.
5) Managing Freight Bills: I helped with the processing of freight bills, making sure that they were paid on time and that the company's standards and procedures were followed.
6) Travel System Management: As part of my role, I processed travel bills, checked claims, and made sure that business travel guidelines were followed.
7) Producing Reports: I gained knowledge on producing a range of reports, including GIRI, daily, Goa to Hub, and provision reports. These reports offered insightful information about the company's vendor management practices and financial success.

8 LEARNINGS

I gained invaluable expertise in various aspects of vendor relationship management and accounts management during my internship at IFB Ltd. Among the most important lessons are:

1) Practical Experience: I acquired practical expertise in handling vendor relationships, processing invoices, and utilizing SAP software for accounting. I now have a better understanding of accounting procedures and principles thanks to this hands-on experience.
2) Communication Skills: Working with suppliers, coworkers, and management to address problems with payments, invoicing, and vendor inquiries helped me to get better at communicating. Sustaining robust vendor relationships required efficient and transparent communication.
3) Attention to Detail: Working on projects like processing invoices and peer-reviewing financial statements helped me to hone a sharp eye for detail. Ensuring accuracy and compliance with regulatory regulations required close attention to detail.
4) Time management: In order to process invoices, create reports, and respond to vendor inquiries by the deadline, I had to learn how to efficiently manage my time. Setting priorities for work and maintaining organization were essential to achieving departmental goals.

5) Problem-Solving Ability: I developed my problem-solving ability by dealing with issues like inconsistent invoices, late payments, and system malfunctions. Timely solutions were found through effective resource leveraging and team collaboration.

Learning Outcomes:

- Practical exposure enhanced understanding of theoretical concepts.

- Developed innovative approaches to tasks, improving efficiency and quality of output.
- Gained self-awareness of abilities and areas for improvement.
- Improved communication and negotiation skills through vendor interactions.
- Enhanced problem-solving skills in resolving billing and accounting issues.

9 CHALLENGES

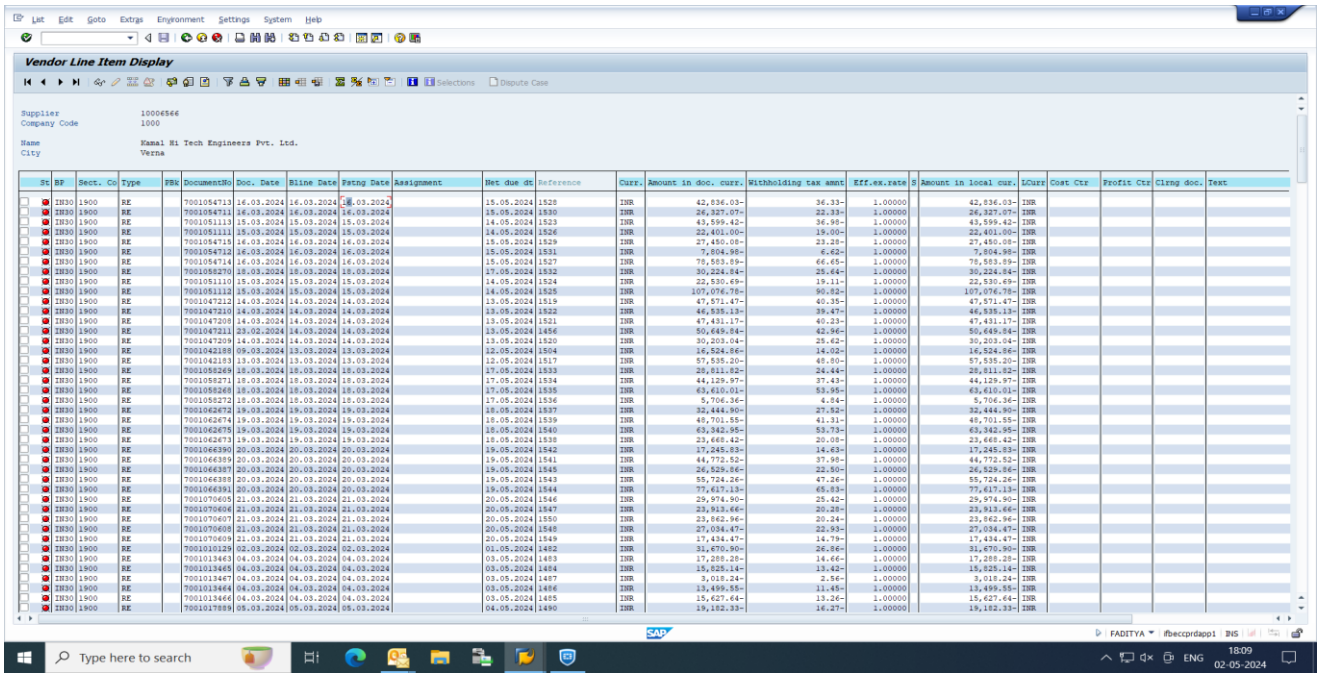
During my internship at IFB Ltd., I faced a few obstacles that gave me the chance to develop and learn. Among the difficulties I encountered were:

1) Complexity of SAP Software: Because of its intricacy and requirement for extensive training, learning to use SAP software for accounts management was initially difficult. But with the help of mentors and practical experience, I was able to get past this obstacle and master the software.
2) Handling Invoice Discrepancies: Handling invoice discrepancies and working out problems with vendors needed persistence, focus, and skillful communication. Finding the underlying causes of inconsistencies and implementing prompt fixes with the least amount of operational impact was occasionally difficult.
3) Meeting Deadlines: In order to process invoices, generate reports, and respond to vendor inquiries on time, I had to learn how to efficiently manage my time and prioritize activities in the fast-paced accounts department. Although it was occasionally difficult, juggling several obligations and making sure everything were done on time helped me become better at time management.

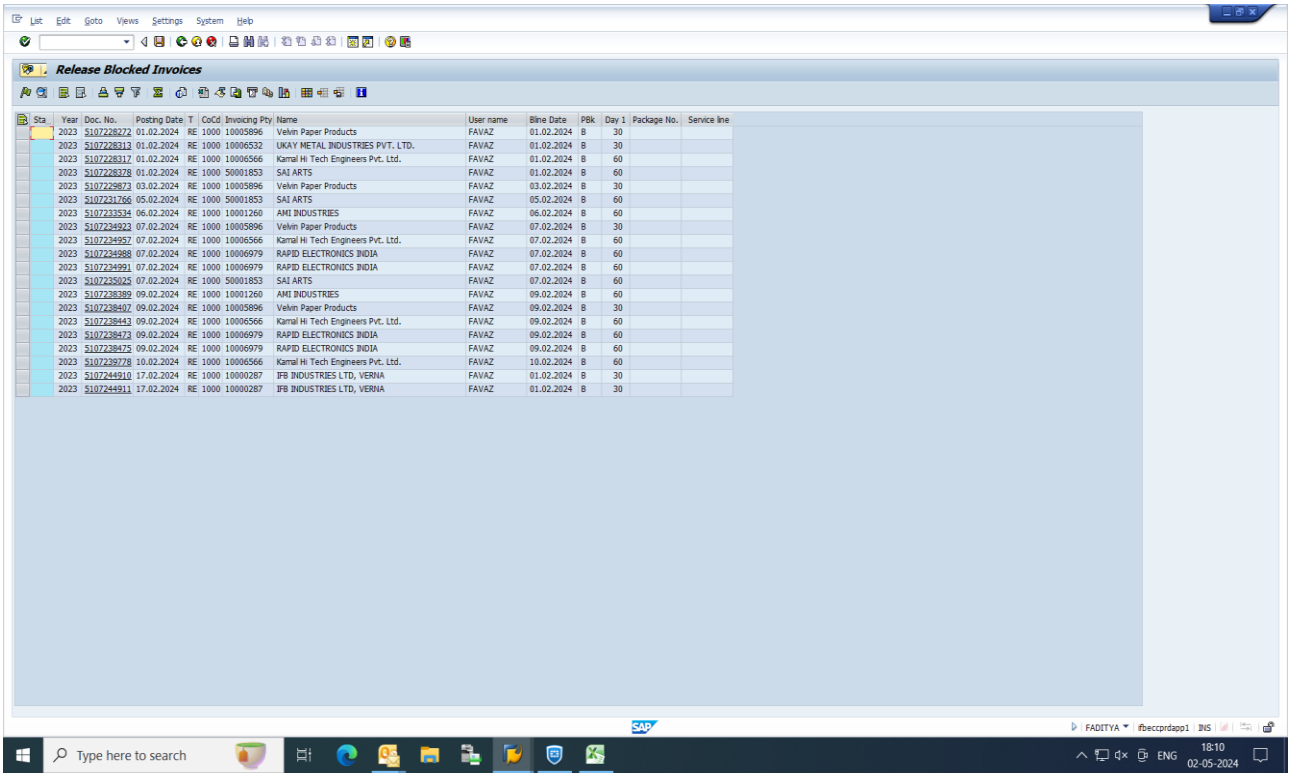
4) Navigating Organizational procedures: There was a learning curve involved in comprehending and navigating the company's organizational procedures and hierarchies. To navigate and support the team's goals, it was necessary to adjust to the corporate culture, form bonds with coworkers, and ask mentors for advice.

10 Appendix 1: Samples of work done

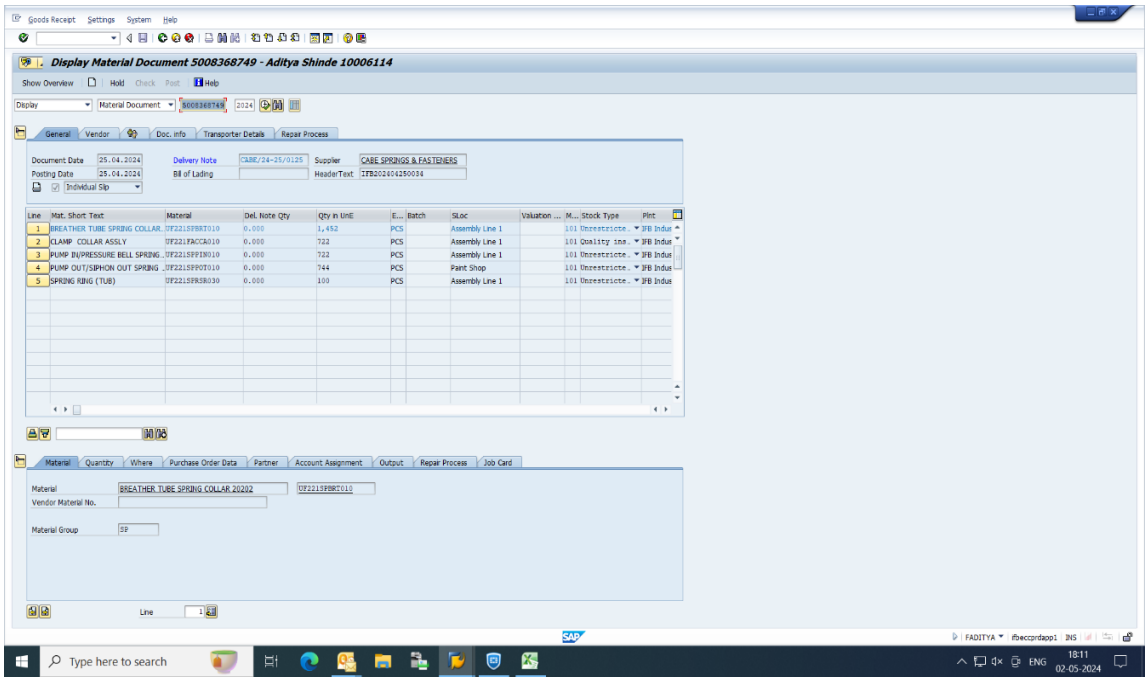
ERS BILLS



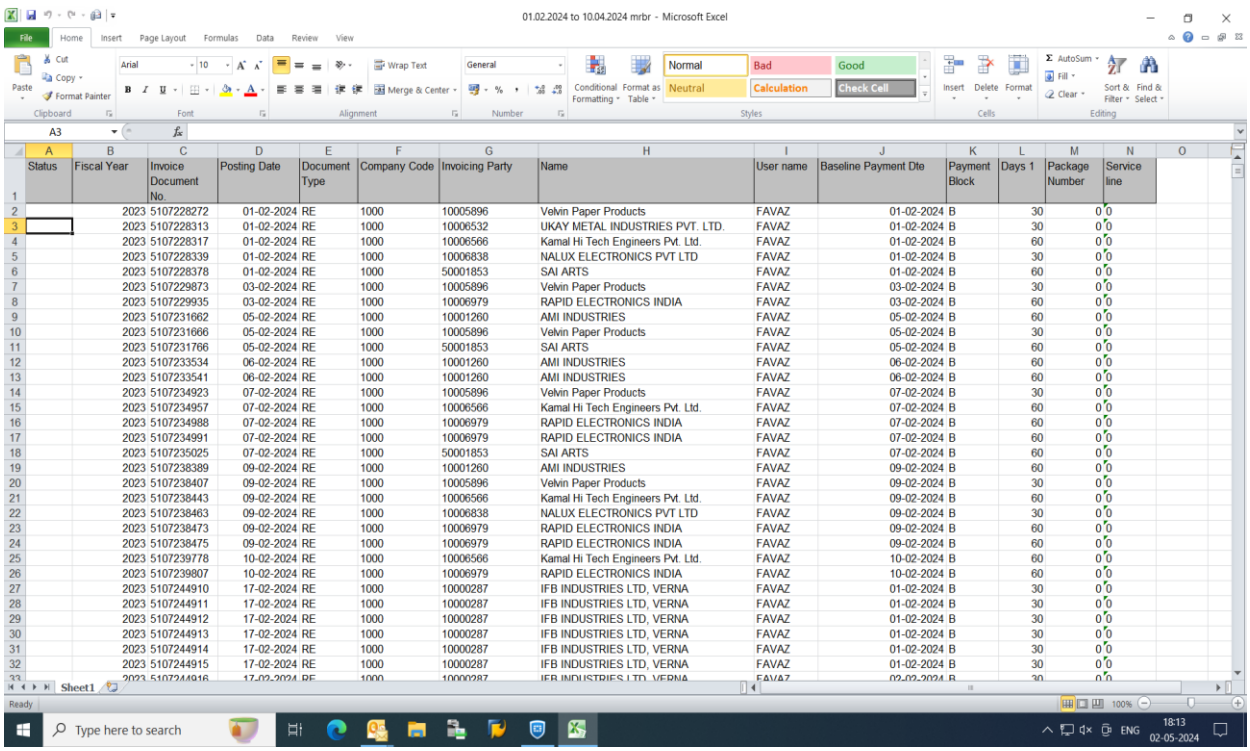
MRBR

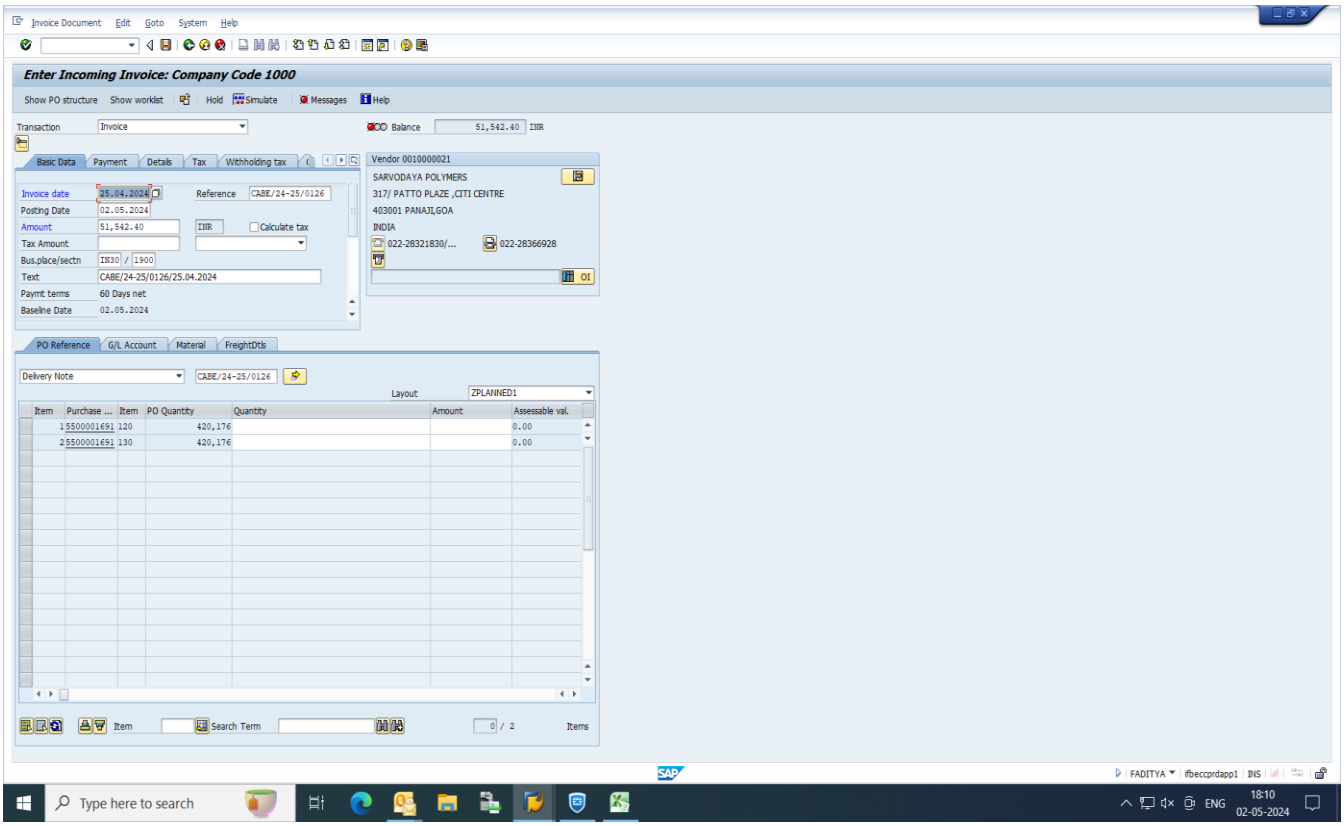


MIGO

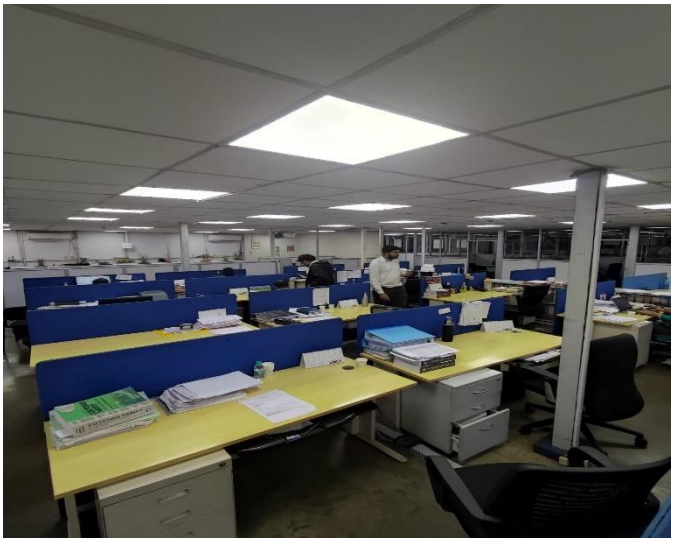


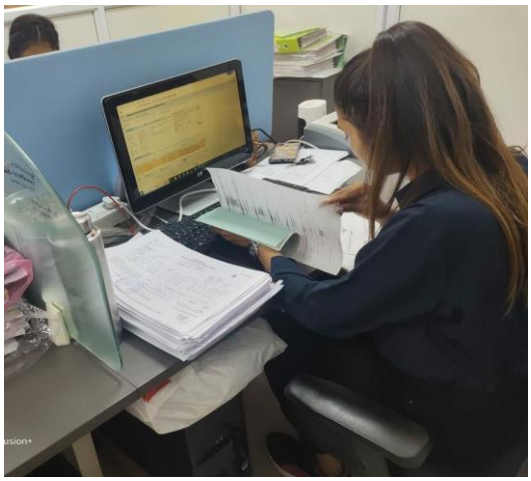
DUMP OF INVOICES

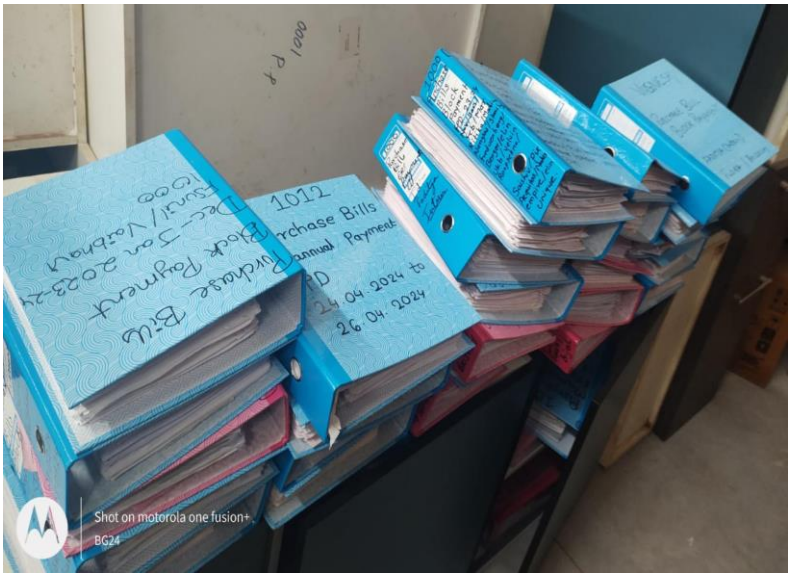


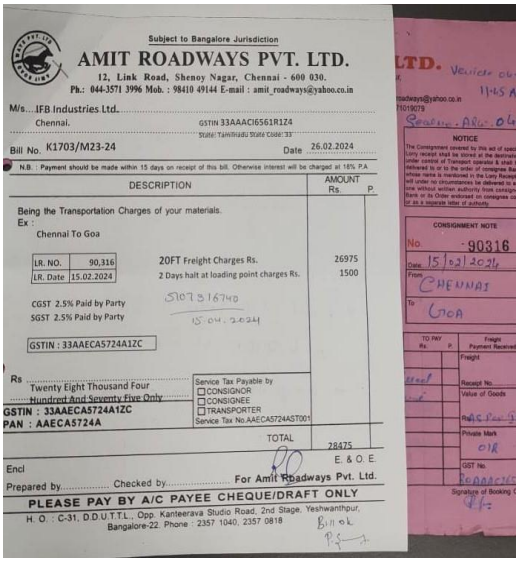


11 Appendix 2: Photos while you at work









Subject to Bangalore Jurisdiction

AMIT ROADWAYS PVT. LTD.

12, Link Road, Shenoy Nagar, Chennai - 600 030.
Ph.: 044-3571 3996 Mob. : 98410 49144 E-mail : amit_roadways@yahoo.co.in

M/s.... IFB Industries Ltd.
Chennai.
GSTIN 33AAACI6561R1Z4
State: Tamilnadu State Code: 33

Bill No. K1703/M23-24 Date 26.02.2024

N.B. : Payment should be made within 15 days on receipt of this bill. Otherwise interest will be charged at 18% P.A

DESCRIPTION	AMOUNT Rs.	P.
Being the Transportation Charges of your materials. Ex : Chennai To Goa		
LR. NO. 90,316 / LR. Date 15.02.2024 — 20FT Freight Charges Rs.	26975	
2 Days halt at loading point charges Rs.	1500	
CGST 2.5% Paid by Party		
SGST 2.5% Paid by Party		
GSTIN : 33AAECA5724A1ZC		
Rs Twenty Eight Thousand Four Hundred And Seventy Five Only	TOTAL	28475

Service Tax Payable by ☐ CONSIGNOR ☐ CONSIGNEE ☐ TRANSPORTER
Service Tax No.AAECA5724AST001

GSTIN : 33AAECA5724A1ZC
PAN : AAECA5724A

E. & O. E.

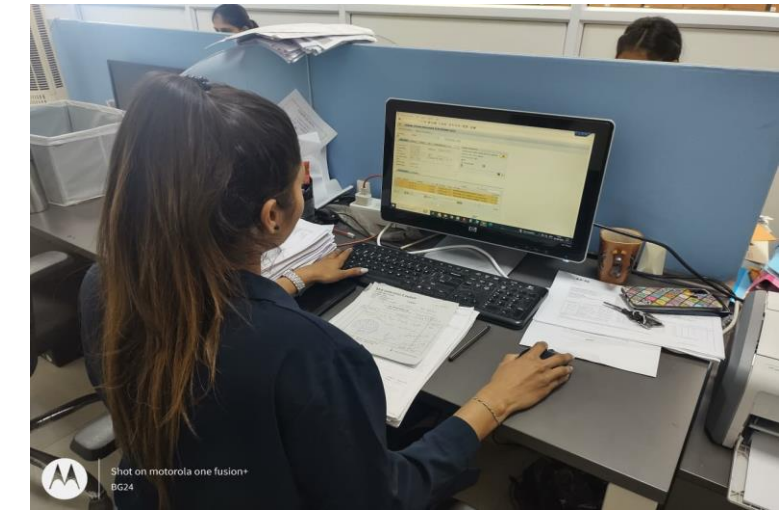
Encl
Prepared by..... Checked by.....
For Amit Roadways Pvt. Ltd.

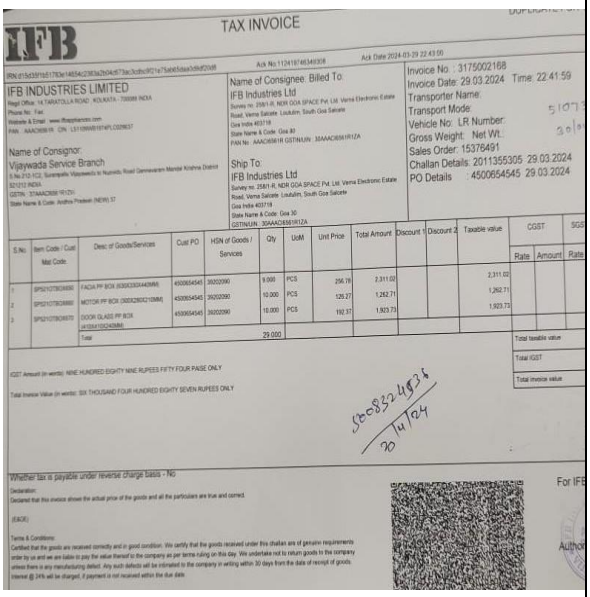
PLEASE PAY BY A/C PAYEE CHEQUE/DRAFT ONLY

H. O. : C-31, D.D.U.T.T.L., Opp. Kanteerava Studio Road, 2nd Stage, Yeshwanthpur, Bangalore-22. Phone : 2357 1040, 2357 0818

NOTICE

CONSIGNMENT NOTE No. 90316 Date 15/02/2024 From CHENNAI To GOA





IFB

TAX INVOICE

IFB INDUSTRIES LIMITED

Name of Consignor:
Vijayawada Service Branch

Name of Consignee: Billed To:
IFB Industries Ltd

Ship To:
IFB Industries Ltd

Invoice No. : 3175002168
Invoice Date: 29.03.2024 Time: 22:41:59
Transporter Name:
Transport Mode:
Vehicle No: LR Number:
Gross Weight: Net Wt.:
Sales Order: 15376491
Challan Details: 2011355305 29.03.2024
PO Details : 4500654545 29.03.2024

S.No.	Item Code / Cust Mat Code	Desc of Goods/Services	Cust PO	HSN of Goods / Services	Qty	UoM	Unit Price	Total Amount	Discount 1	Discount 2	Taxable value	CGST Rate	CGST Amount	SGST Rate
1	SP5210TBCM00	FACIA PP BOX (630X330X440MM)	4500654545	39202090	9.000	PCS	256.78	2,311.02			2,311.02			
2	SP5210TBCM80	MOTOR PP BOX (505X280X210MM)	4500654545	39202090	10.000	PCS	126.27	1,262.71			1,262.71			
3	SP5210TBCM70	DOOR GLASS PP BOX (435X135X245MM)	4500654545	39202090	10.000	PCS	192.37	1,923.73			1,923.73			
		Total			29.000									

Total taxable value
Total IGST
Total invoice value

IGST Amount (in words): NINE HUNDRED EIGHTY NINE RUPEES FIFTY FOUR PAISE ONLY

Total Invoice Value (in words): SIX THOUSAND FOUR HUNDRED EIGHTY SEVEN RUPEES ONLY

Whether tax is payable under reverse charge basis - No

Declaration:
Declared that this invoice shows the actual price of the goods and all the particulars are true and correct.

(E&OE)

Terms & Conditions:
Certified that the goods are received correctly and in good condition. We certify that the goods received under this challan are of genuine requirements order by us and we are liable to pay the value thereof to the company as per terms ruling on this day. We undertake not to return goods to the company unless there is any manufacturing defect. Any such defects will be intimated to the company in writing within 30 days from the date of receipt of goods. Interest @ 24% will be charged, if payment is not received within the due date.

For IFB

Author

12 **REFERENCE**

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