



**TVARUR OIL AND FATS PVT.LTD, THIRUVARUR**

**A SUMMER TRAINING REPORT**

**Submitted by**

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Final Year MBA

Under the Guidance of

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**Submitted to**

**E.G.S. PILLAY ENGINEERING COLLEGE (AUTONOMOUS)**

**NAGAPATTINAM**

**OCTOBER 2022**

## **BONAFIDE CERTIFICATE**

It is certified that this summer training report titled “**TVARUR OIL AND FATS PVT.LTD**” is the bonafide work of **Mr. M.MOHAMED IJILAN JUBAIR** Registration Number: **8208E21BAR047** who carried out the training under my supervision. Certified further, that to the best of my knowledge the work reported here in does not form part of any other summer training report on the basis of which a degree or award was conferred on an earlier occasion on their or any other candidate.

Dr. B. ASHA DAISY  
Professor & Supervisor

Dr. R. KARTHI Asst.  
Director - MBA

Internal Viva voice examination held on \_\_\_\_\_

Internal Examiner



**Tvarur Oils & Fats Pvt. Ltd.**

**Plant :**

Karuppur Village Via Adiyakkamangalam,  
Semangalam Post, Thiruvavarur District,  
Tamil Nadu - 611101

(CIN : U15122DL2013PTC257685)

Ref: TVR/Training/2022/013

26/08/2022

**TO WHOME IT MAY CONCERN**

This to state that **Mr. M. Mohamed Ijilan Jubair** Reg No. 8208E21BAR047 student of Master of Business Administration from E.G.S.Pillay Engineering College, Nagapattinam has successfully completed the internship in our organization as a part of his curriculum from 10/08/2022 to 26/08/2022.

He has submitted his report in the fulfillment of all the requirements of the company. We appreciate his contribution.

We wish him all the very best for his future endorsement.

For TVARUR OILS & FATS Pvt Ltd

Authorized Signatory

Mugunthan.S

(Manager Human Resource)



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## ACKNOWLEDGEMENT

“Teacher is the part to knowledge, guidance is the part to success, and a successful man is the happiest man in the world.”

I would like to take opportunity to thank one and all who instrumental in grand success of this training. In particular we wish to thank the following personalities.

I heartedly express my deep sense of gratitude to **Dr. S. RAMABALAN**, Principal, E.G.S. Pillay Engineering College, Nagapattinam for providing me an opportunity to do this project in final MBA.

I am highly indebted to **Dr. R. KARTHI, MBA., M.Phil., Ph.D.**, Director, Department of Management studies, E.G.S. Pillay Engineering College, Nagapattinam for the guidance and constant supervision as well as for providing necessary information regarding the project & also for the support in completing the project.

I would like to thank **Dr.B. ASHA DAISY, M.Phil., Ph.D., Asst.** Professor, E.G.S. Pillay Engineering College and my training guide for providing me the timely guidance and assistance. I extend my sincere thanks to all the faculty members department of management studies.

I acknowledge TVARUR OIL AND FATS PVT.LTD (TOFPL), Thiruvarur for providing me an opportunity to do this project in their esteemed organization. I would like to thank **MR.MUGUNTHAN.S (HR)** who giving me an opportunity to embark on this project and whose guidance was significant in the successful completion of the project.

Any omission in this brief acknowledgement does not mean lack of gratitude.

## **ABSTRACT**

This report contains the summer training of **TVRUR OILS AND FATS PVT. LTD.** functional areas and their production efficiency with mass bulk quantities. It exposes production of crude of refining process with constant waste and pouch production of edible oils. HR practices like HPR, Recruitment and selection, compensation and benefits. Training & development and performance management are well practiced. The supply chain management and accounting activities are lectures with real time documents. The visit of production plants makes and given a clear idea of the functional activities. This report explains about overall functions of production, crude oil refinery process. Pouch production, accounting process, HR practices by using recent technologies that I observed during the internship.

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## CHAPTER – I

### 1.1. INTRODUCTION:

Tvarur Oils & Fats Private Limited is an unlisted private company incorporated on 12 September, 2013. It is classified as a private limited company and is located in South Delhi, Delhi. Its authorized share capital is INR 30.00 cr and the total paid-up capital is INR 28.66 cr.

**Description:** The Company operates as a manufacturer of shortening, table oils, margarine, and other edible fats and oils.

**Products & Services:** Shortening, table oils, margarine, and other edible fats and oils.

**Category:** Manufacturer

The current status of Tvarur Oils & Fats Private Limited is - Active.

The last reported AGM (Annual General Meeting) of Tvarur Oils & Fats Private Limited, per our records, was held on 30 November, 2021. Also, as per our records, its last balance sheet was prepared for the period ending on 31 March, 2021.

Tvarur Oils & Fats Private Limited has two directors - Subramanian Palanisamy and Sumit Chaddha.

The Corporate Identification Number (CIN) of Tvarur Oils & Fats Private Limited is U15122DL2013PTC257685. The registered office of Tvarur Oils & Fats Private Limited is at Unit no. 101, 102A, First Floor, Realtech Copia Corporate Suites, Plot No. 9, Jasola Distt. Centre, New Delhi, South Delhi, Delhi.

## 1.2. PROFILE OF THE COMPANY

### TVARUR OIL AND FATS PRIVATE LIMITED

#### COMPANY PROFILE

##### Location:

Karuppur Village, Adiyakkamangalam

Semangalam post, Thiruvarur District,

Tamil Nadu-610 106

India.

#### MUSIM MAS

Musim Mas Group is one of the leading global palm Oil companies with it is headquarters in Singapore and global operational presence in 13 countries. Musim Mas Group is one of the largest, integrated palm oil corporations with operations spanning the entire value chain across the Americas, Europe and Asia. Since, 1972 Musim Mas has established deep and longstanding relationship with our customer and stakeholders worldwide.



##### Musim Mas in India:

Musim Mas two plants in India

1. Nellore
2. Thiruvarur

All Companies › Delhi › Manufacturing of Food Products › Tvarur Oils & Fats Private Limited





## DIRECTORS - TVARUR OILS & FATS PRIVATE LIMITED

The company has 2 directors and 1 reported key management personnel.

The longest serving directors currently on board are Subramaniam Palanisamy and Sumit Chaddha who were appointed on 08 January, 2014. They have been on the board for more than 8 years.

Sumit Chaddha has the largest number of other directorships with a seat at a total of 3 companies. In total, the company is connected to 2 other companies through its directors.

08 January, 2014

SUBRAMANIAM PALANISAMY

Director

08 January, 2014

SUMIT CHADDHA

Director

28 January, 2019

DEEPIKA JHA

(KMP)

## CONNECTED COMPANIES

NAME	NUMBER OF COMMON DIRECTOR	STATE	PAID UP CAPITAL	
SOUTH INDIA EDIBLE PRIVATE LIMITED	1	Delhi	25.29 cr	Buy financial reports
J S OVERSEAS PVT LTD	1	Delhi	3.54 cr	Buy financial reports

### **Tvarur Oils & Fats Private Limited**

- ✓ **Tvarur Oils & Fats Private Limited** is a 8 years 11 months old Private Company incorporated on 12 Sep 2013. Its registered office is in South Delhi, Delhi, India.
- ✓ The Company's status is Active, and it has filed its Annual Returns and Financial Statements up to 31 Mar 2021 (FY 2020-2021). It's a company limited by shares having an authorized capital of Rs 30.00 cr and a paid-up capital of Rs 28.66 cr as per MCA.
- ✓ 2 Directors and 1 Signatories are associated with the organization. The Key Managerial Personnel (KMP) at Tvarur Oils & Fats Private Limited India are Deepika Jha as Company Secretary. Sumit Chaddha and Subramaniam Palanisamy are presently associated as directors.

CIN/LLPIN/FCRN	U15122DL2013PTC257685
Company Legal Name	Tvarur Oils & Fats Private Limited
ROC Code	RoC-Delhi
Company No.	257685
Company Category	Company limited by Shares
Company Sub Category	Non-govt company
Company Class	Private
Authorised Capital	₹ 30.00 cr
Paid up Capital	₹ 28.66 cr
Incorporation Date	12 Sep 2013
Date of AGM	30 Nov 2021
Date of Balance Sheet	31 Mar 2021
Listing Status Industry	Food And Beverages
Company Size	-

## CHAPTER - II

### 2.1 PRODUCTION DEPARTMENT

**Product:**

**TOFPL Oil products:**



- ❖ The production department is responsible for converting raw materials and other inputs into finished goods or services.
- ❖ The production department in a business organization is that department which engages in the manufacturing or production of goods for the business organization.
- ❖ The production department is headed by the production manager. Other workers in this department include technicians, engineers, designers, machine operations etc.

### PALM OIL PROCESSING PLANT

- ❖ Palm oil refining industries are one of the most important manufacturing sectors in the world. Palm oil has become an increasingly important vegetable oil in the world market and currently it is one of the largest traded vegetable oil in the world. Indonesia & Malaysia are the largest producer and exporting company of Crude Palm oil.
- ❖ Crude Palm oil is obtained from Mesocarp part of palm oil. Extracted Crude Palm oil contains some undesirable impurities and these impurities need to be removed partially or completely through the refining process in order to produce good edible oil with better stability and keepabilit.

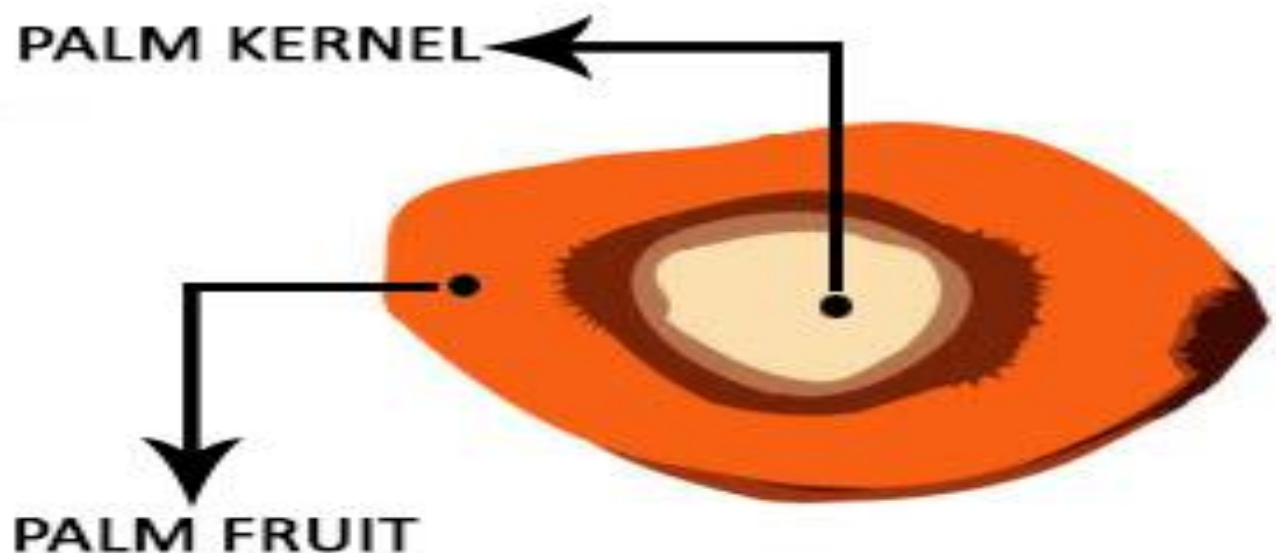
- ❖ Currently, Palm oil is a popular cooking oil in some tropical countries like South East Asia, Africa, and some parts of Brazil. Its popularity is due to its higher heat resistance as compared to any other vegetable oils and also because of its lower cost and good oxidative stability

## TYPES OF OIL

### 1. Palm oil

### 2. Palm kernel oil

- ❖ Palm oil is extracted from the flesh of the Palm fruit and Palm Kernel Oil is extract from the seeds or kernel of the Palm fruit.
- ❖ The Palm Oil is extracted from the fresh Palm fruit flesh by pressing & centrifugation.
- ❖ The Palm Oil extraction is to be done with the fresh Palm fruit to avoid the deterioration of Palm Oil.
- ❖ Hence, the countries cultivating Palm Oil are extracting themselves to avoid its deterioration. The crude Palm Oil comes out as yellow red or dark yellow in color and the taste of the crude Palm Oil is sweet.
- ❖ In order to remove the above impurities, the oil goes to the refinery plant in order to receive the RBD Palm Oil (Refined Bleached & Deodorized). After refining of the Palm Oil, the RBD oil goes to the fractionation section in order to get the Palm **Olein and Stearin**.



## **Palm Oil Refining Plat**

- ✓ Palm oil refining consists of the following sections
- ✓ Generally, refining process is necessary steps for the production of edible oils and fats products. The qualities of the finished product that need to be monitored are flavour, shelf-life, stability and color of the products.
- ✓ Refining of crude vegetable oil is done by two methods: Physical refining and chemical refining. During refining of crude palm oil, FFA are removed in order to achieve the FFA content of up to 0.1 % max.

### **In palm refining process which remove impurities from crude palm oil**

- 1) Phospholipids
- 2) Free fatty acid
- 3) Colouring pigments (Carotenoids)
- 4) Moisture, oxidative material, metal impurities, and water soluble impurities (glycerol, Phenols, Sugars)

The term refining includes the removal of above impurities in order of increasing shelf life and quality of Refined Vegetable oil

### **I. Bleaching**

- ❖ The bleaching of edible oils and fats is an important part of the refining process of crude oils and fats. It does remove the several contaminations which impacts adversely the physical appearance and quality of the oil. Generally, the oil before taking to the bleaching section, the gums treatment is done by the phosphoric acid treatment so that these gum can be separated in the pressure leaf filter after bleaching.
- ❖ During this stage, trace metal complexes such as iron and copper, colouring pigments, phosphatides and oxidative products are removed by adsorptive effect of bleaching earth.



- ❖ This bleached oil is then filtered in industrial filters such as filter press or hermetically sealed vertical leaf pressure filter, plate and frame type filter.
- ❖ Mectech's unique design of the bleacher keeps bleaching earth in full suspension due to which there is no dead areas inside the bleacher which in turn gives lower utility consumption. Since the bleaching process is carried out under controlled parameters, the good quality oil is guaranteed in Mectech Bleacher.

## **II. Deodorization / De Acidification**

- ❖ As we know that refining of edible oil is basically divided in to two parts: – Physical refining and Chemical refining. In both process deodorization steps is require but the working principle of deodorizer for both the process is a little bit different. In the physical refining, the FFA are removed in the Deo Section. Since the palm oil is the hard oil, it requires the physical refining due to high FFA content in the crude palm oil.



- ❖ Deodorization / De-acidification is done to remove the volatile components, mainly aldehydes and ketones, which causes for smell in refined oil. In Deodorization process, free fatty acid removes in the form of Palm fatty acid distillate as a refining waste.
- ❖ Apart from removal of free fatty acid, there are some impurities like Carotenoids pigments, primary and secondary oxidation products present in the palm oil are also removed from refined Palm oil in this step. Deodorization is essentially a steam distillation process carried out at low pressures and elevated temperatures (180-220°C).



- ❖ In Physical refining the role of deodorizer is to strip free fatty acid, odor removal and heat bleaching to cut the remaining color in bleached oil.
- ❖ In chemical refining the role of deodorizer is odor removal, heat bleaching to remove the remaining color and recovery of fatty acid distillate. The steam is injected in each compartment of our deodorizer so that intimate mixing of oil and steam takes place. This arrangement of steam pipes makes deodorization process more efficient.



### III. Fractionation

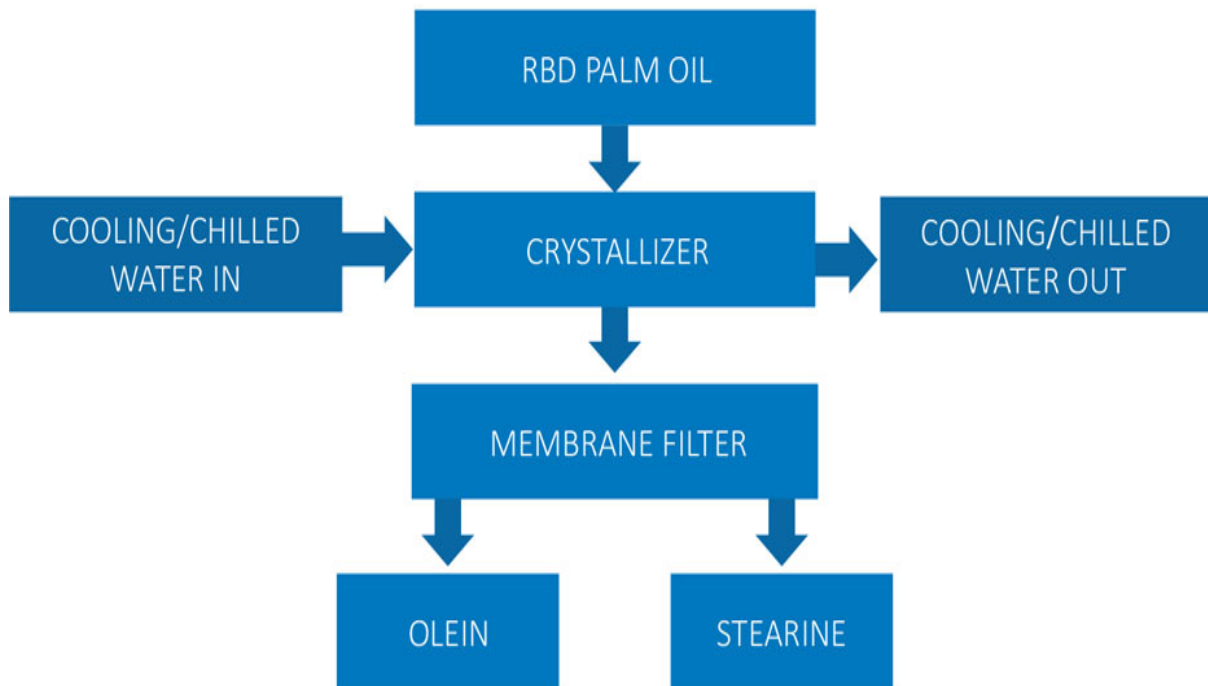
- ❖ After the Deodorization section the oil is first cooled by cold Fractionated oil for maximum regeneration of heat Palm Oil Fractionation machine. Then the same oil is cold by cooling tower water up to 40°C to 45°C. Then this oil is cooled by outgoing chilled fractionated oil from the filters. This oil is then chilled to fractionation temperature in the Crystallizers.



- ❖ In the crystallizer proper residence time is given with maintaining the temperature of the oil, which results in formation of wax / stearin crystals and residence time, will give proper growth to the crystals. The step cooling is followed in the crystallizer for the complete maturation of the crystal which increases the efficiency of the Palm Oil Fractionation Plant. The oil is cooled with the tempered water and then it is further cooled to the final fractionation temperature by the Chiller water. The water is chilled in the chiller. There are mainly two kinds of chillers available in the market, one is the power chiller and another one is vapour absorption machine. The VAM is widely used in order to avoid the use of the refrigerant gases.

# PROCESSING FLOW CHART

## Palm Oil Fractionation



- ❖ After obtaining the desired temperature inside the crystallizer the mixture is then feed to the Filter Press for the separation of Stearin from Palm Olein. The recovery of the Palm Olein does also depend upon the kind of filters used.
- ❖ The complete operation is controlled by Automatic Electronic Panel (PLC /SCADA). Mectech is one of the leading Palm Oil Processing Plant manufacturers/Palm Oil Fractionation Machine suppliers in India and abroad.

### **2.1.1. POUCH PRODUCTION**

- ❖ In TOFPL there exists a specific separate plant for the pouch production

#### **Production capacity**

- ❖ Maximum capacity 7000 boxes per day.
- ❖ Actual production 5000 boxes per day.
- ❖ As per box it contains 10 pouches of 1 litre pack.
- ❖ As per box it contains 20 pouches of half litre pack.

#### **Pouch weight**

- ❖ Pouch weight is weighed by the weighing machine.
- ❖ Rajini gold 1 litre pouch- maximum weight 900 kilograms.
- ❖ Rajini gold 1 litre pouch- minimum weight 898 kilograms.
- ❖ Rajini gold half litre pouch- maximum weight 449 kilograms.
- ❖ Rajini gold half litre pouch- minimum weight 451 kilograms.
- ❖ Surya gold 1 litre pouch- maximum weight 900 kilograms.
- ❖ Surya gold 1 litre pouch- minimum weight 898 kilograms.
- ❖ Surya gold half litre pouch- maximum weight 449 kilograms.
- ❖ Surya gold half litre pouch- minimum weight 451 kilograms.

#### **Production span**

- ❖ In a maximum speed machine produces 30 pouches per minute.
- ❖ In a maximum speed machine produces 20 pouches per minute.

#### **Pouch Batch**

There exists 14 batches that Is Batch A to Batch N.

- ❖ A batch contains 4 rows 10 columns of 400 boxes.
- ❖ It follows FIFO First in First Out.
- ❖ Godrej Equipment's are used to move the bunch of boxes.
- ❖ Net is the space where all the defect pouches are stored in that empty pallet area.
- ❖ The SIK contains the pouches which is comes from the Nellore.
- ❖ Thus SIK helps to meet out the unexpected demands.

## **Machine operators**

- ❖ There are 3 machine operators are working on the machine
- ❖ There exist 4 machines for the pouch production.
- ❖ Thus the TOFPL uses Aravind Fabricators packaging machines (PVRHS2460M).

## **2.2. HUMAN RESOURCE**

Human Resources Management Involves Management Functions Like Planning, Organization, Directing, and Controlling

- ❖ It Involves Procurement, Department, Maintenance Of Human Resource
- ❖ It Helps To Achieve Individual, Organizational And Social Objectives
- ❖ Human Resources Management Is A Multidisciplinary Subject. It Includes The Study Of Management, Psychology, Communication, Economics And Sociology.
- ❖ It Involves Team Spirit And Team Work.
- ❖ It Is A Continuous Process.

### **HR Strategy has a set of characteristics:**

- ❖ It requires an analysis of the organization and the external environment.
- ❖ It takes longer than one year to implement.
- ❖ It shapes the character and direction of human resources management activities
- ❖ Helps in the deployment and allocation of organizational resources.
- ❖ Is revised on a yearly basis.
- ❖ It incorporates the expert judgment of senior (HR) management.
- ❖ It is number-driven.
- ❖ It results in a specific behaviour.

### **Functions of HR:**

- ❖ Security
- ❖ Administration
- ❖ Transportation
- ❖ Gardening
- ❖ Welfare
- ❖ Statutory
- ❖ Training and development

## MANPOWER PLANNING

- ❖ Manpower planning is totally under the control of head of the department.
- ❖ HR department didn't planning man power.
- ❖ Technical department is responsible for the manpower planning.
- ❖ Technical department **analyse** the human resource requirements and make budget then send request to the human resource department.
- ❖ As per the **request, job description, time period** and **budget** from the head of the department, human resource manager recruit the right person for the right job.
- ❖ In the case of budgeting human resource manager is responsible to recruit the candidates with minimum budget.

## RECRUITMENT

- ❖ Recruitment is otherwise called the manpower acquisition.
- ❖ After getting request from the head of the department human resource department proceeds to plan the recruitment.
- ❖ By referring the job description, manpower need, budget and time period human resource manager go for the talent acquisition.

### Recruitment types.

- ❖ Employee reference – Referred by industrial member.
- ❖ Job portal – Through the job portal website (Naukri).
- ❖ Walk in interview – By an individual.
- ❖ Campus interview – Through the college.

## SELECTION

- ❖ After matching the JD and resume shortlisted candidates are invited to attend the interview.
- ❖ Candidates experience and mental state are analysed by the employee.
- ❖ Technical interview is handled by the head of the department.
- ❖ Telephonic interview is also handled by the department head.
- ❖ By shooting questions human resource manager will finalize the interview process.

- ❖ HR manager never prefers unfit candidate for the job.
- ❖ Internal (Inside the company) there is an interview for the employee in promotion

## **PLACEMENT**

- ❖ Placement means giving placement order to appoint the person for the job.
- ❖ (OJT) On the Job training is provided to the new employee in the training period.

## **INDUCTION**

- ❖ Induction is given by either the HR department or by the head of the department.
- ❖ In the induction program job role, company rules, work process are all explained to the employee
- ❖ It includes company details, policies and protocols, employee benefits, department details, safety induction.

## **PAYROLL MANAGEMENT**

- ❖ Payroll is a system of processing salaries and wages to the employees.
- ❖ The net pay is calculate by subtracting all the withholding and tax deductions from the employee's actual salary.
- ❖ It is the one key area that affects employee morale, productivity and engagement.

## **PERFORMANCE APPRAISAL**

- ❖ Performance appraisal is the process of analyse the performance of an employee whether it is increased or decreased or neutral to improve the productivity of the organization.
- ❖ It includes the various methods such as MBO (Management by objective), 360 degree feedback, scaling method, Ranking method, etc.

## **EMPLOYEE GRIEVANCES**

- ❖ Employee grievances are the unsolved disputes in the organization.
- ❖ It should have a third person to solve the disputes.

## JOB ROTATION

- ❖ Job rotation means doing all the jobs in routine.
- ❖ It helps to maintain the manpower shortage and cost control.
- ❖ It gives more knowledge about the various work in the plant.

## TRAINING AND DEVELOPMENT

- ❖ Provision period is the training period of the new employee and it is up to 6 months.
- ❖ In the provision period employee enjoys only the statutory benefits rather than the company benefits.
- ❖ Training is provided to both the new employee as well as the existing employee.
- ❖ The employee development is noticed by the **skill matrix**
- ❖ To move work effectively.

### Employee matrix template for training and development:

Employee Competency Matrix Template

Team Member	Role	Competency Areas				
		Six Sigma	Microsoft Office	PC Hardware	Infrastructure	QA
Trevor Janes	BI Analyst	Advanced	Competent	Basic	Basic	Advanced
Maria Suttkey	Python Programmer	Basic	Basic	Advanced	Basic	Trainer
Nero Crowley	BI Analyst	Advanced	Advanced	Basic	Basic	Advanced
Ozzy Mainbach	Server Technician	Basic	Advanced	Trainer	Competent	Basic
Seth Sirkin	PMO	Advanced	Trainer	Basic	Basic	Basic
Louisa Kent	Python Programmer	Basic	Advanced	Advanced	Basic	Trainer
Hector Iniesta	Java Programmer	Competent	Competent	Basic	Basic	Competent
Legend						
Basic	Requires Basic Training					
Advanced	Requires Adv Training					
Competent	No Training Necessary					
Trainer	Expert Level					

**Techno-PM**  
Project Management Templates



## **EMPLOYEES SEPERATION**

- ❖ Contract labours – sweeping and cleaning – more than 300-green t-shirt
- ❖ Skilled Workers -Plant operators -4-
- ❖ Unskilled workers – pouch production 12-15
- ❖ Pantry workers-2 women
- ❖ Employees-around 70

### **Shift base**

- ❖ Batch A - shift 1 – 6.00 a.m. to 2 p.m.
- ❖ Batch B - shift 2 – 2.00 P.m. to 10 p.m.
- ❖ Batch C - shift 3 – 10.00 P.m. to 6 a.m.

## 2.3. FINANCE DEPARTMENT

Finance department is the part of an organization that is responsible for acquiring funds for the firm, managing funds within the organization and planning for the expenditure of funds on various assets. It is the part of an organization that ensures efficient financial management and financial control necessary to support all business activities.

### ROLES AND RESPONSIBILITIES OF A FINANCE DEPARTMENT:

The contributions of finance department to any company and how these contributions positively affect organizational performance will greatly depend on factors such as the extent to which the owner/manager is involved in his company. The roles and responsibilities of a finance department include but are not limited to:

1. Bookkeeping
2. Management of company's cash flow
3. Budgets and forecasting
4. Advising and sourcing longer-term financing
5. Management of Taxes
6. Management of company's investments
7. Financial reporting and analysis
8. Assist managers in making key strategic decisions.

### PLANNING FINANCE

- ❖ TOFPL financial department is located in Delhi.
- ❖ Summit Chaddha is the head of financial department.
- ❖ There are two main process comes under the financial department in TOFPL and that is account payables and account receivables.
- ❖ Senior executive officer **MR.SARAVANAN** maintains the account payable process and **Mr SIVAKUMAR** maintains the accounts receivable process

## I. WORK ORDER PROCESS

- ❖ For accounting process TOFPL follows SAP software.
- ❖ This SAP software is followed from the year of 2014

## II. 3 WAY MATCH METHOD

- ❖ TOFPL follows the 3 way match method in their accounting process.
- ❖ Three way matching is an AP (Account payable process used to verify a supplier invoice by checking it against its corresponding purchase order and order receipt.
- ❖ TOFPL use to make sure invoices are paid only when they are properly validated against two other documents.
  - Their PO s (issued by authorized to do)
  - GRN – Goods Received Notes or receipts

		Matching Process		
Documents	Purpose	2-Way	3-Way	4-Way
Purchase Order	Confirms the purchase was authorized.	✓	✓	✓
Goods Received Note/Order Receipt	Proves the purchase was delivered.	—	✓	✓
Supplier's Invoice	Verifies amount owed and payment terms.	✓	✓	✓
Product Acceptance	Confirms how much of the delivery was accepted.	—	—	✓

That the purchase was delivered to its destination.

### **III. PURCHASE ORDER**

- ❖ The PO also list the quantity of items to be purchased with the agreed cost.
- ❖ It confirms that the details match each other across all documents.
- ❖ It reduces the chance of fraudulent invoices going undetected and worse being paid.
- ❖ It is an automated system can handle the approval process, saving AP staff time.
- ❖ By checking quantity first then secondly checking the unit of measurement and thirdly tax value and finally that are added as entry into the SAP.

### **IV. QUOTATION**

- ❖ It is a document that is given before the work is started and it details shows price cost.

### **V. INVOICE**

- ❖ It is also a document that is provide after the work is completed.
- ❖ It is the final costs and when payment is due.

### **E-INVOICE SYSTEM**

- In case of credit note and debit note there exists no linkage with invoice is built.
- It is a system the TOFPL B2B invoices are authenticated electronically by GSTN for further use on the common GST portal.
- Under the electronic invoicing system, an identification number will be issued against every invoice registration portal ( IRP) to be managed by the GSTN
- There exists a lot of application for verifying the invoice QR code in phone that makes the verification process in easiest way rather than by using a large computer system.

### **VI. GRN (GOODS REVCIVED NOTES)**

- ❖ The issuing if GRN is on store's department.
- ❖ It is prepared in several copies, each for the supplier, procurement, accounts department, and store department retention.
- ❖ The Food and Drug Administration (FDA) evaluate the GRN in every year auditing.

- ❖ It plays a vital role in the account payable process by confirming the items have been received as expected, in accordance with the original order and that the items can be invoiced by the supplier and paid for.

## **VII. NEGOTIATION**

- ❖ It is a critical skill followed by TOFPL by the accountant whether negotiate externally with vendors.

## **VIII. TDS DEDUCTION**

- ❖ The TDS concept was introduced with an aim to collect tax from the very source of income.
- ❖ A deductor who is liable to make payment to the deductee shall deduct tax at source and remit the same into the account of central government.
- ❖ The deductee from whose income tax has been deducted at source would be entitled to get credit of the amount so deducted on the basis of form 26AS or TDS certificate issued by the deductor.
- ❖ India has cut its tax on crude palm oil (CPO) imports to 5% from 7.5 %.

## **IX. VENDOR**

- ❖ SECTION 9 (40) of the CGST Act states that if a vendor is not registered under the GST supplies goods to a person registered under GST then the reverse charge would apply.
- ❖ TOFPL follows **RCM** that is **Reverse chain Mechanism**
- ❖ RCM is the process of GST payment by the receiver instead of supplier.
- ❖ In the case of liability of tax payment is transferred to the recipient instead of the supplier.
- ❖ It means that the GST will have to be paid directly by the receiver instead if the supplier.
- ❖ For the edible oil and fuller earth the GST rate is 5 %.

## **X. INVENTORY AND STORE**

- ❖ TOFPL follows RCM – Reverse Chain Mechanism
- ❖ Credit period is the number of days that the customer is allowed to paying the invoice and it's up to 15 days.

- ❖ PAN- Payment Authorization Note
- ❖ After rising the payment authorization note to get approval from three stages
  - GM general manager ( production manager)
  - Finance head ( summit Chadha )
  - MAS- monetary authority of Singapore i.e. MAS Electronic Payment System or MEPS.
- ❖ TOEPL follows CWT –virtual payment more than 20 lakhs that is associated with company SAP.
- ❖ Petty cash allocated up to 4 lakhs for 6 months

## **MODE OF PAYMENT**

- Cash
- Cheque
- Online
- Petty cash

## **FUND ALLOCATIONS BUDGET TO VARIOUS DEPARTMANT**

- ❖ For the Contract labours weekly basis wages provided as per the budget.
- ❖ For employees monthly salary is provided to them in regular basis.
- ❖ For the pouch production separate budget is allocated that department.
- ❖ There is an overall separate budget for company assets and any other construction

### **2.3.1 PURCHASE DEPARTMENT**

There are two types of raw materials are purchased regularly in TOFPL based on

- 1) Production Purpose
- 2) Maintenance Purpose

## **PROCUREMENT**

- 1) STANDARD OPERATING PROCEDURES (SOP)
- 2) RESPONSIBILITY

### **Responsibility for Acquisition**

In accordance to Financial Rule 110.13 (a), the over-all responsibility for the acquisition and the procurement process of supplies, equipment and services are delegated to the Chief of the Procurement Section duly designated by the Registrar of companies, Delhi (RoC-Delhi). To this end, the Chief Procurement Officer shall ensure that the relevant Financial Regulations and Rules on Procurement are strictly complied.

## **Responsibility for Procurement planning**

The Procurement planning is essential for the effective and timely solicitation of bids, proposals, award of contracts and delivery of the goods and services required for the operations. Chiefs of Section are responsible for developing their procurement plans in cooperation with the Procurement Section and the budget officers

## **REQUISITION**

### **1. Requisitions for Supplies, Equipment and Services**

- ✓ Supplies, equipment and services are ordered by requisitions which are raised by the Section Chiefs and/or requisitioning officers.
- ✓ All requisitions must be first certified by a duly designated Certifying Officer, as provided under Financial Rule 110.3. Certifying Officers are officials designated by the Registrar for the account(s) pertaining to a section or subsection of an approved budget, or by the Prosecutor in areas falling under his authority.

### **Financial Rule 110.4. The main responsibilities of the Certifying Officers with regard to authorizing the requisitions are as follows:**

- Review all requisitions in the light of actual needs for procurement and to establish that funds are available for the goods/services being processed.
- Specifications should be comprehensive and unambiguous, and the description of scope of work in the requisition must be clear. A complete description or detailed specifications which may be available should be listed on the requisition for each item. It is of utmost importance for evaluating offers and for the winning supplier that Certifying Officers make sure that technical specifications of goods and/or services are sufficiently detailed.
- Ensure that the requisitions are consolidated by line and type as much as possible.

## **2, Procurement Requisitions**

- ✓ All requests for procuring supplies, equipment and services shall be submitted to the Procurement Section with a requisition using the TOFLER ERP System SAP. The requisitions shall include the following information:
  - ✓ A clear, concise statement of what is required. This may consist of a simple description or a fully developed specification. To develop this specification, the Section Chiefs and/or the requisitioning officers use experts with the appropriate, an outside source;
  - ✓ A detailed technical specification or Statement of Work, where applicable, prepared by the Section Chiefs and/or the requisitioning officers on a separate sheet and as an attachment to the requisition;
  - ✓ A contact person designated to answer questions concerning the requisition. In the case of contracts for large or complex goods or services, the contact person designated should be available throughout the procurement process;
- 
- Delivery or completion date required;
  - The total estimated quantities and costs;
  - The budget code and WBS Element;
  - The recommended supplier(s) if available;

General comments or note on the requisitions necessary and relevant to the conduct of a conclusive and successful procurement exercise.

The specifications should be generic in nature, in order to facilitate fair competition for the goods and services being acquired. Specifications shall not specify brand names, products of company or features which are particular to the products of company, unless it has been determined in writing by the requisitioner that these particular products or those particular features are essential to the requirements, and that products of another company would not meet the requirements. Where proprietary items are specified or standardization is evoked, the requisitioner must provide justifications in writing to the Registrar or the Designated Officer for approval before the procurement action is initiated.

On occasion, brand name could be stated to clarify requirements, however adding “or similar equipment” or “equivalent” is compulsory.



It should be noted that Procurement Section will not process any requisition without proper certification of funding. Pursuant to Financial Rule 110.4, the approval in SAP of the Certifying Officer is proper certification of available budget funding. Certifying Officers are also responsible for maintaining detailed records of all obligations and expenditures against the accounts for which they have been delegated the responsibility. It is the responsibility of the Certifying Officers not to exceed the budget lines under his/her authority without prior authorization.

## **PURCHASING METHODS**

### **(Selection of Vendors)**

#### **Competition**

The basic principles of competition and equal treatment of bidders as outlined the best value for money by soliciting participation of a number of qualified bidders. The principle of equality requires the Company to avoid preferring or discriminating against any bidder to the detriment or benefit of the other bidders.

#### **Required Competition Level**

- If under Rs 5,00,000.00 per purchase order, whether an item is to be bid will be at Procurement Section' discretion and should be based upon many factors, including but not limited to the following: quantity, lead-time, and availability.
- If less than Rs 50000.00 is Level 1- written competitive bids whenever possible should be obtained under the approval of factory Manager.
- If between Rs 50000 to Rs 500000.00 per purchase order is Level 2- a minimum of three competitive bids are required under the approval of production head/ General Manager
- If over Rs 500000.00 per purchase order Level 3- a minimum of 5-7 competitive bids are required under the approval of project head/corporate head.

## **Sealed Bids**

Sealed bidding is a method of soliciting competitive offers to purchase goods or services. The Company shall make an award to the supplier providing the best overall value to the Company, considering price and other related performance and quality factors.

### **The sealed bidding method of contracting is to be used when:**

- Time permits solicitation, submission and evaluation of sealed bids;
- The award is to be made on the basis of price and other factors related to performance and quality;
- It is not necessary to conduct discussions with bidders because the goods or services being procured are quantitatively and qualitatively described in a manner which permits all bidders to bid on the same basis; and
- There is a reasonable expectation of the Company receiving more than one sealed bid in the process.

### **The bidding documents**

- (“the solicitation”) are the means by which the Company informs potential bidders of the Company’s requirements and conditions and by which interested bidders obtain the information needed to submit their bids. The solicitation should reflect the nature and complexity of the goods or services being purchased and usually will include:
- A Statement of Work (SOW) describing carefully and in full detail what the Company requires the supplier to perform or provide, including technical specification if applicable. The SOW must not be overly restrictive so as to eliminate qualified bidders;
- The evaluation criteria upon which the Company will determine which bid meets the Company’s requirements. In sealed bidding, evaluation focuses on price and other related factors such as:

Commercial Items:

1. Base Bid Price
2. Required Options
3. Terms of Payment

4. Freight Terms
5. Schedule of Terms and Conditions
6. Technical Terms:
7. Performance Differentials
8. Specification Compliance
9. Staffing Credentials
10. For specialized areas of procurement, other specialized factors may be included:
11. The mandatory Company terms and conditions which will be included in the agreement or purchase order;
12. Bid forms, guarantee or bond requirements, if applicable;
13. Date and time for submissions of bids;
14. Name and address to which the bid is to be sent;
15. Company assigned bid number;

Instructions requiring the prospective bidders to place their bids in an envelope and mark the outside of the envelope with Company assigned bid number and date, time and location for submission of bids.

## **SOLICITATION DOCUMENTS**

Solicitation Documents shall be used to request quotations or proposals from suppliers for goods, works or services required. While the details and complexity of Solicitation Documents will vary according to the nature and value of the requirements, they will contain all information necessary to prepare a suitable Offer.

If, for any reason, it becomes necessary to clarify Solicitation Documents, all recipients of the solicitation documents shall be notified simultaneously in writing. At any time before the deadline, the Procurement Section may, for any reason, whether on its own initiative or because of a request for clarification by a supplier, modify the solicitation documents by issuing an addendum. The addendum will be communicated to all suppliers who have been provided with the solicitation documents and will be binding upon them.

## **Types of Solicitation Documents**

Financial Rules provide for Formal Methods of Solicitation which are either in the form of a formal invitation To Bid (ITB), or Request for Proposals (RFP) and for Informal Methods of Solicitations, such as Requests for Quotations (RFQ).

### **Expression Of interest**

Expressions Of Interest (EOI) shall be advertised on the Company's webpage and using the United Nation Global Marketplace (UNGM). This procedure shall be used for requests that are above or have the potential to exceed, Rs 500000.00. The details of the EOI shall be saved electronically in the Trim records of the Procurement Section.

### **Request for Quotations**

Invitations to Bid (ITB) or Request for Quotations (RFQ) shall be used for the procurement OF simple, uncomplicated goods of standard and firm specifications or very specifically defined and continuously used services. Based on analysis of quotations, the award is given to a supplier that meets specifications, delivery terms and lowest price.

### **Requests for Proposals**

- Requests for Proposals (RFP) should be used in order to obtain proposals to satisfy a requirement of goods and services where the scope of work, technical specifications or characteristics cannot be precisely determined or described, or are of a complex/specialized technical nature which requires significant input from the supplier. The acquisition of goods or services through RFPs procedure requires careful coordination with requisitions. Clarity, completeness in preparing the RFP is critical to a successful competition.
- The Company shall make award to the supplier providing the best overall value to the company in accordance with the evaluation criteria defined in the RFP.
- Besides the requirements outlined above RFP shall also include:
- A Statement of Work (SOW) describing carefully and in full detail what the Company requires the supplier to do or to provide, including technical specifications;
- The evaluation criteria upon which the Company will determine which bid best meets the company's requirements

- The mandatory ICC terms and conditions which will be included in the agreement or purchase order
- Instructions to bidders.

## **SOLE OR SINGLE SOURCE**

- Due to the fact that competition is the preferred acquisition method of the Company, careful consideration must be given to, and appropriate justification provided for all Sole or Single Source procurement actions to ensure that they are more advantageous to the Company rather than an award obtained through competition.
- Sole Source contracting is a method of acquisition where a contract is awarded after soliciting and negotiating with only one source, or when no formal methods of solicitation are used under Financial Rule.
- Situations that may justify single source acquisition are when the proposed procurement contract is the result of cooperation with an organization of the United Nations system, with the Government of a State Party, another public international organization, non-governmental organization or specialized private enterprise to the extent authorized by the Committee on Budget and Finance or
- offers for identical products and services have been obtained competitively within a reasonable period and the prices and conditions offered remain competitive; or
- within a reasonable prior period, a formal solicitation has not produced satisfactory results; or
- there is a genuine exigency for the requirement; or
- the proposed procurement relates to obtaining services that cannot be objectively evaluated;
- the need for continuity of professional services; or
- there has been a previous determination or when there is a need to standardize the requirement; or
- the Registrar has determined that a formal solicitation will not give satisfactory results;
- there is no competitive marketplace for the requirement, such as where a monopoly exists, where prices are fixed by legislation or government regulation, or where the requirement involves a proprietary product or services;
- the proposed procurement contract is for the purchase or lease of real property;
- The value of the procurement is below the monetary threshold established for formal methods of solicitation.

- For all Sole/Single Source actions, a well-documented, thorough written justification must be submitted to the Procurement Section by the Certifying Officer to support why this method of acquisition is considered more advantageous to the Company than a competitive acquisition. The Procurement Section may request additional documentation in support of this justification and may or may not agree. If approval is granted, the approved justification shall be part of the purchase file after approval and signature of the Chief Procurement Section of alternate.

## **SUBMISSION AND RECEIPT OF BIDS**

Bidders must comply with the specified procedure for submission of bids as well as the technical requirements in the solicitation to allow for the fair and non-discriminatory evaluation of their bids. When bids are received, they shall be secured by the assigned Procurement personnel and kept until the date and time set for the opening. Bids may be modified or withdrawn by a bidder before the date and time set for the opening, without the Company's approval. Bids may not be modified or withdrawn by a bidder after the opening unless a justifiable and documented reason is approved by the Procurement Section.

### **Bid Opening**

The purpose of the bid opening is to verify that all formalities indicated in the solicitation are met, including the timeliness of the bid receipt and its sealed condition. At the date and time designated in the solicitation, bids shall be opened and read by a minimum of two (2) Company personnel, one of whom is from the Procurement Section. The Company personnel, as noted above, shall review the bids for completeness, mathematical accuracy, price and responsiveness. They shall tabulate the results on a bid abstract form which must be certified by those in attendance at the bid opening. Each page of the price proposal shall be initialed by the Company personnel. Bid opening are not required to be public, unless otherwise specified in the solicitation.

### **Evaluation of Bids**

Once bids have been opened, they shall be evaluated to determine which respond best to the requirements of the solicitation. The evaluation of bids shall be coordinated by Procurement Section personnel. They may obtain assistance in the evaluation process from experts within

the Company or from outside consultants, as required. The commercial evaluation of bids shall be the responsibility of the Procurement Section. When technical evaluation is required, the requisitioning office or his designee shall review the bids to:

Determine whether each offer meets all principal specifications of the solicitation;

Prepare and sign a technical evaluation report, solely on the basis of the technical merit of the technical merit of the tender or proposal but excluding any consideration of the cost of the bid. Any such report shall include a listing of the recommended suppliers in order of priority, together with the reasons for such recommendation. Except when negotiations have been authorized by the Procurement Section, bidders will not be allowed to alter any bid after the deadline for bid opening without prior approval from the Procurement Section. The Procurement Section may request clarification of any bid during the evaluation process.

## **PROCUREMENT REVIEW COMMITTEE**

The Registrar is empowered under Financial Rule to establish a Procurement Review committee (PRC) to render written advice to him/her on;

All contractual agreements to be entered into involving commitments to a single supplier, in respect of a single requisition or series of related requisitions exceeding such other amount as may be amended from time to time by the Registrar.

All proposals for the amendment, modification or renewal of contracts and/or agreements previously recommended by the PRC, except where:

Such amendments or modifications do not increase the value previously recommended for approval by the PRC

Such amendments or modifications would not, in the judgment of the Chief Procurement approval by the PRC

Renewal was an option provided for in the contract and/or agreement, and the price revision, if any, remains within the contractually agreed indexation level;

All proposals for the amendment, modification or renewal of any contracts and/or agreements not previously submitted to the PRC where the amount in the aggregate now exceeds such amount.

Any other matter as may be referred to the PRC by the Registrar or a duly designated chief procurement under Financial Rule.

### **Vendor performance**

If a vendor has been successful in a tender competition or when the contract of a vendor is to be extended, which has resulted in a submission to the Procurement Review Committee (PRC), a completed vendor performance questionnaire shall be completed by the Certifying Officer. The completed questionnaire shall form part of the submission to the PRC.

### **CONTRACT TYPES**

A contract is a legally binding agreement between two or more parties and its contents reflect the parties' mutual obligations to one another. The type of contract most suitable to the procurement (e.g., Purchase Order or Agreement) and its pricing depends, in large measure, upon the scope and nature of the parties' obligations. The Procurement Section shall prepare the agreement or purchase order and ensure, with the support of technical and professional assistance as required, that it contains all the provisions necessary to protect the Company's interest.

As a matter of policy, the Company does not normally use one-person companies. It is not considered prudent to assign the responsibility for the management and delivery of an activity to a single individual, as an essential element of any contractual or outsourcing activity is to provide reliable, independent delivery of such services on an uninterrupted basis.

### **Purchase Orders**

Purchase orders are used when contracting for the provision of goods and simple services.

Purchase orders constitute the Company's offer to the supplier. As such, they are signed only by authorized Company representatives before being provided to the supplier. The supplier



manifests his acceptance of the offer by his conduct, e.g. delivery of the goods or services. If, however, the purchase order has a value in excess of mentioned level, it must be signed and returned to the Company by an authorized representative of supplier.

The purchase order is designed to convey the provisions of the contract to the supplier and. to provide maximum uniformity in recording all aspects of the agreement. The Company's terms and conditions are an integral part of the purchase order. Procurement Section personnel in consultation with Legal Section are responsible for ensuring that the terms and conditions included are appropriate, considering the value of the agreement, the nature of the goods or services provided, trade practice, and other factors. Purchase order must be amended whenever the Company and/or the supplier make changes.

## **Written Procurement Contracts**

Written procurement contracts (hereinafter referred to as 'Agreements') (Financial Rule 110.19) are generally used to obtain the services from as company for a given task or period of time, or to procure goods and/or services.

Fixed price agreements provide a firm pricing arrangement, e.g., lump sum, unit price, per Diem rate etc., established by the parties at the time of contracting. The price is not subject to adjustment based upon the supplier's actual cost experience in performing the contract. The Company prefers to use fixed price type agreements. Agreements should be prepared to fit the actual circumstances involved and, accordingly, will not be uniform. However, all agreements are expected to achieve the best overall value for the Company, taking into consideration quality, timeliness, and minimization of risk to the Company.

The Company' terms and conditions are an integral part of the agreement. Procurement Section personnel are responsible for ensuring that the terms and conditions included are appropriate, considering the value of the Agreement, the nature of the goods or services provided, trade practice, and other factors. Agreements should be formally amended whenever the Company and/or the supplier make changes to their Agreement.

## **Terms and Conditions**

Terms and conditions are a key component of agreements and purchase order documents. Together with the Statement of Work or Scope of Work (SOW) and applicable specifications, they form the written intent of the parties to the agreement and purchase order. The Standard Terms and Conditions in Company Agreements are developed by the Legal and Procurement Sections. However, when necessary, terms and conditions may be changed with the prior approval of the Procurement Section and the Legal Section. Contracts of a complex nature or involving provisions which have not been previously used should be reviewed by the Company Legal Section prior to contract signing. When, during the course of a negotiation, formal or otherwise, the supplier is represented by an attorney, the Company must also have a representative of the Legal Section present.

## **Procurement Plan and Contracts database**

It is important that all contracts and agreements are reviewed, placed and renewed in a timely manner. To this end, all contracts or agreements which have a duration clause must be recorded in the contracts database. This database will form part of the Procurement Plan. During the regular quarterly meetings with the Certifying Officers contract renewals and future requirements for goods and services shall be recorded in the Procurement Plan. This is to ensure adequate time is given to complete the necessary procurement tendering process (EOI, RFP/RFQ, PRC and contract conclusion) in accordance with the Financial Regulations and Rules.

## 2.4. MARKETING DEPARTMENT

A marketing department promotes your business and drives sales of its products or service. It provides the necessary research to identify your target customers and other audiences.

1. Marketing department is not situated in the TOFPL but it is in the Hyderabad.
2. SUNRAMANIAN PALANISAMY who is head of the marketing department.

### OBJECTIVES OF THE MARKETING:

- ❖ Build brand awareness.
- ❖ Grow market share.
- ❖ Launch new products or services.
- ❖ Target new customers.
- ❖ Enter new markets internationally or locally.
- ❖ Improve stakeholder's relations.
- ❖ Enhance customer relationships.
- ❖ Improve internal communications.
- ❖ Increase profit.

### BRANDS

- ❖ Brands that the company TOFPL produce are
  - ✚ Surya gold
  - ✚ Rajini gold
- ❖ These are the brands that are the by products from TOFPL
  - ✚ Sunland
  - ✚ Idhayam
  - ✚ Britania
  - ✚ ITC
  - ✚ Nestle
  - ✚ Parle
  - ✚ HUL

## **WHOLESALE**

- ❖ TVARUR OIL & FAT PRIVATE LIMITED Company uses wholesale to sell their products.
- ❖ They export their products to Kerala, Dindukal, within the TamilNadu as bulk oils.
- ❖ Sales bulk oils up to 24 lakhs through the tankers.
- ❖ They are not selling their any products to the government.
- ❖ They are even sale the wastes as some by products and that are the supplied as raw materials to some other products such as fullers earth (after used in refinery process), etc.
- ❖ As the price of crude oil went up after a few years, the market for quality products was becoming very low. Therefore, they decided to change their strategy as money but not enough money to purchases quality products.so all of the good oils in the world had to come from a big company.

## **ADVERTISING**

- ❖ There is no advertising except only the word of mouth, a simple yet power full thing. There's no need to advertise anything when you can see it for yourself.

### **3.1 CONCLUSION**

On the whole internship was a good experience. I have gained practical knowledge and skills about the company functional areas and its function. I got insight into professional practice currently advocated in the industry. I hope that it will shine my knowledge. This internship given a real experience while on studying theories so I now I can enhance both the theoretical and practical knowledge and skills of the real time business. It is a pleasure to learn the facts and working with in a well-established company. Related to my study of business administration I have learn more about the industry. Spirit is the sword experience is the sharpening stone. So I will gain an experience regarding the industry process it will shape my career life. Hope my experience in TVRUR OILS AND FATS PVT.LTD. THIRUVARUR will support my career.