

**ORGANIZATION STUDY AT BOLA RAGHAVENDRA KAMATH  
& SONS**

Submitted by

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Submitted to

**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI**

**In partial fulfilment of the requirements for the award of the degree of**



**MASTER OF BUSINESS ADMINISTRATION**

Under the guidance of

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**March-2023**

## **DECLARATION**

I hereby declare that this Internship titled “**Bola Raghavendra Kamath & Sons**” submitted by me to the Department of Management, Vishveswaraya Technological University in partial fulfilment of requirement of MBA Programme is a bonafide work carried by me under the guidance of **Dr. Vishnu Prasanna KN, Professor, ALVAS INSTITUTE OF ENGINEERING AND TECHNOLOGY MIJAR** .This has not been submitted earlier to any other University or Institution for the award of any degree/diploma/certificate or published any time before.

**Place:** Mijar

**Date:** 01/03/2023

**AJAY BHANDARY**

(4AL21BA002)



## **BOLA RAGHAVENDRA KAMATH & SONS PRIVATE LIMITED**

Importers, Manufacturers & Exports of Cashew Kernel, Cashewnut Shell Liquid & Coffee

Date: 23-11-2022

### **Certificate**

This is to certify that Mr. Ajay Bhandary (Roll No: 4AL21BA002) student of Alva's Institute of Engineering & Technology Mijar Moodbidri, 3<sup>rd</sup> Sem MBA, was successfully completed 31 days (from 20-10-2022 to 19-11-2022) Internship at "Bola Raghavendra Kamath & Sons Private Limited", Kukkundoor Karkala.

His conduct has been excellent during his visit to our factory and various departments; We found he is active and keen in learning the job knowledge.

We wish him bright future.

**For Bola Raghavendra Kamath & Sons Pvt. Ltd.**

  
Director



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Website : [www.bolacashew.com](http://www.bolacashew.com)

## ACKNOWLEDGEMENT

Work is never a work of an individual alone. I give a sense of gratitude for the support and cooperation of those who have easily let me understand what I need from time to time to complete this exclusive internship.

I am very thankful to **Visvesvaraya Technological University, Belgaum** for this wonderful opportunity to undertake the organization study as a part of the fulfilment of the master of Business Administration degree.

I am indeed very much delighted to express my gratitude to my internal guide **Dr. Vishnu Prasanna K N** for his constant support and encouragement to carry out my internship project successfully and without much difficulty.

My heartfelt gratitude to my external guide **Vrinda Kamath**, Business Developer of Bola Raghavendra Kamath & Sons for guidance and inspiration which helped me to take up and complete this study thank all the officers and employees of Bola Raghavendra Kamath & Sons, who were very kind enough for their cooperation in giving information to prepare this report.

I also express my heartfelt thanks to **Dr. Peter Fernandes**, the principal of AIET, Moodbidri for providing all the facilities in the college. And also, I am grateful to **Prof. Priya Sequeira**, head of the MBA department who has inspired me and also for his ultimate support.

Thank You,  
Ajay Bhandary

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## **EXECUTIVE SUMMARY**

The MBA course offered by VTU, Belgaum, has a unique syllabus that requires its MBA students to undertake an internship with any of the industry for a period of four weeks. This study was introduced by the university for students' practical knowledge about the work and functioning of the organization.

This study was conducted at The Bola Raghavendra Kamath & Sons. The main objective of this Organization Study is to expose the students to understand the working culture of the organization and apply theoretical concepts in a real-life situation at the workplace for various functions of the organization.

The report has been divided into 6 chapters. The first chapter is a brief introduction to the theory and a detailed description of the organisation's profile. The chapter explains organization's background of the company, the nature of the business and the company's vision and mission statements, a quality policy of the organization, and the product and services profile of the organization. Includes the ownership pattern, awards, achievements, and future growth and prospects of the company.

The third chapter, the report includes the 7s frameworks of the company i.e., strategy, structure, system, shared values, skills, style, and staff. In the fourth chapter explains the analysis of the company i.e., what are the strengths, weaknesses, opportunities, and threats of the company.

The fifth chapter, of the report, includes the financial statement of the company i.e., the balance sheet and profit and loss account, and the ratio analysis of these financial statements. The sixth chapter of the report is a learning experience of the Organization's Study.

# **CHAPTER 1**

## **INTRODUCTION ABOUT INDUSTRY**



## **Brief History of the Industry**

The cashew has a long history as a useful plant, but only in the present century it becomes an important tropical tree crop. The earliest report of the cashew is from Brazil, coming from French, Portuguese and Dutch observers. As it is known in cashew trade circle, cashew nut was not the indigenous product of India. In World Trade the Cashew holds 2nd rank among the tree nut. About 400 years ago, the Portuguese brought in to Goa in India, from Brazil. Soares De Soucer (1587) in his classis work on 16th century Brazil provides valuable information on the Botany of the Cashew, a good description of the use of the cashew nut and a report that cashew apples and juice were thought to have medicinal value.

Today, the major cashew producing states in India are Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, Goa, Maharashtra and Orissa. In the early stages of cashew production in India, it was the fruit which was the considered valuable and it was only in the beginning of the century that the commercially valuable cashew kernel, the kernel inside the nut, found favour among consumers. Small quality of cashew kernels was exported from India even before the First World War in 1914, but in those days the kernels were packed in wooden cases lined with newspaper. Being highly susceptible to infestation, this mode of packing resulted in deterioration in the quality by the time the kernels reached their destination. The real breakthrough came when packing of cashew kernels in an atmosphere of carbon dioxide was introduced in the 1920s. This process in which the air in the container is removed and replaced with carbon dioxide prevented the development of infestation and made it possible for cashew kernels to be stored without fear of deterioration in quality for long periods and enabled large scale shipments to be made to various foreign countries.

Until the end of Second World War, exports however were small but the increase in exports after 1947 was indeed very rapid.

### **Industry structure:**

India is among the largest cashew-producing countries in the world. The cashew industry has much economic significance as it employs more than 10 lakh people on farms and factories in rural areas. The cultivation of cashew in India covers a total of 0.7 million hectares of land, and the country produces over 0.8 million tonnes (MT) annually. Between 2019-20 to 2021-22, India's cashew nut production grew from 0.70

million tonnes (MT) to 0.77 million tonnes (MT). In India, cashew cultivation spread along the coastal regions of the peninsula. Cashew is mainly grown in states like Maharashtra, Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, Goa, Odessa, West Bengal, and some parts of the North-Eastern region. According to data published by the National Horticulture Board (NHB), Maharashtra stands first in annual cashew nut production during 2021-22 at 0.20 million tonnes (MT), growing from 0.19 million tonnes cashew nut produced in 2020-21.

Besides the vast scale of cashew production, India is also known for pioneering cashew processing and exporting cashew kernels across the globe. The cashew processing industry was earlier concentrated in Kollam (Kerala), Mangalore (Karnataka), Goa, and Vettapalam (Andhra Pradesh), but now it is spread across many states of India. Over the years, India has emerged as the global processing hub for the cashew industry.

India is the largest cashew exporter, with more than 15% of the world's export share. India primarily exports Cashew Kernels and very small quantities of Cashew nut shell liquid. During 2021-22, the cashew exports by value grew from US\$ 420 million in 2020-21 to US\$ 452 million in 2021-22, witnessing a growth of 7%. In terms of volume, India's cashew exports recorded an increase of 9% from 70.5 million kg in 2020-21 to reach 76.8 million kg in 2021-22. In March 2022, the country exported cashews worth US\$ 40.0 million, up from US\$ 33.6 million in February 2022.

India exports cashews to over 60 countries spread across different parts of the world. The key export destinations for India are UAE, Japan, Netherland, Saudi Arabia, the USA, the UK, Canada, France, Israel, and Italy. As per the APEDA statistics on the exports of cashew kernels and Cashew nut shell liquid, UAE is the largest importer of Indian cashews, valued at US\$ 131.5 million, accounting for 29% of overall exports during 2021-22 as compared to US\$ 98.5 million in the previous year. In volume terms, India's cashew exports to UAE stood at 16.6 million kg, growing by 29% from 12.8 million kg of exports recorded in the previous year.

Japan and Netherland are among the top 3 importers of Indian cashews, with a share of exports at 13% and 9%, respectively. India's cashew kernels and Cashew nut shell liquid exports to Japan and Netherland are valued at US\$ 58.1 million and US\$ 41.1 million, respectively. Vietnam, a key importer of Indian cashews, has consistently

grown in imports of India's cashew at a CAGR of 7% from 2016-17 to 2021-22. The top 10 importing countries of Indian cashew have a share of 84% of the total exports, which implies the huge significance of traditional markets. This strong growth in cashew exports across export destinations continues to drive economic growth and employment generation in India's key cashew-growing states.

### **Current Scenario:**

The largest producer of raw cashew nuts (RCN) in the world and the principal cashew-growing country in the Asia-Pacific region is India, which grows cashews on an area of 1.02 million hectares and produces 550,000 metric tonnes of them annually. Cashews are grown in India's peninsular states of Kerala, Karnataka, Goa, Maharashtra, Tamil Nadu, Andhra Pradesh, Orissa, and West Bengal. The state with the biggest production of these is Kerala.

The COVID-19 epidemic has severely impacted cashew production and demand, and the future of the cashew sector is now in doubt. Due to a lack of pilgrims and significant festivals and events in India, cashew export volume has reached an all-time low and domestic sales have decreased. Coverage of the main market players in India. Asia-Pacific is where cashew nuts are consumed most frequently worldwide. In recent years, cashew nuts have become more widely used in regular diets and nutrient-dense ready-to-eat snacks. The inventive cashew-based goods that are being made by an increasing number of enterprises are being appreciated by both young and older customers. For instance, cashew nuts that are suitable for the local palate were introduced in India as roasted and spice-coated varieties. The demand for cashews in Asia has risen even as China's imports of shelled cashews jumped from 2,317 metric tonnes in 2016 to 23,897 metric tonnes in 2020. The largest cashew importer in the region is China, followed by Japan, Thailand, and India. The cashew market is anticipated to expand at a CAGR of 4.6% in the coming years. (2022-2027)

### **Future of cashew industry:**

Raw material availability, production costs, and a long-term market are all factors that affect the cashew industry. The key factors that will help the cashew business include recovering old crops and managing insects.

Manufacturing costs can be minimized by technical advancement and encouragement, as well as a decrease in the number of consumer grades. Variations in raw material and finished product supplies must be controlled to keep the cashew industry healthy.

## **CHAPTER 2**

# **ORGANIZATION PROFILE**

## **i. Background**

Bola Raghavendra Kamath & Sons was founded on April 1st, 1958. The factory is situated around 60 kilometers from Mangalore in the Karkala Taluk of the Indian state of Karnataka. The cashew nut manufacturing company Bola Raghavendra Kamath founded is now in its sixth decade, with younger generations launching new businesses. They have more than 60 years of total experience. Its name is symbol of quality, and in the international cashew sector, "BOLA" quality has become a brand name. One of India's first cashew manufacturers, Bola Raghavendra Kamath & Sons, has a fully automated cashew processing facility and more than 500+ skilled and knowledgeable employees who work for us with the utmost dedication and care.

Today, their production capacity has increased to 215 bags (75kgs each) of raw cashew nuts per day, with employment of more than 500 workers. Utmost care is taken to maintain good hygienic condition at the production center. In reorganization of their performance and quality the Indian Government has recognized them as an export house. They are the members of Federation of India Export Organization and Cashew Export Promotion Council of India. They started extraction of Cashew Nut Shell Liquid (CNSL) in the year 1970. Today they are the one of the leading manufacturers of cashew nut shell liquid in the country with the production capacity of 4000 MT per annum. The factory is located in the Karkala taluk (Karnataka State, India). This is around 33 km away from Udupi city.

Mr. Bola Raghavendra Kamath the promoter of this unit has been rendering his services in this field of cashew processing ever since he took to business over four decades ago. Inherited wisdom and knowledge coupled with hard earned experience put him on fast track in understanding cashew processing and its phases to achieve proficiency in cashew processing, trade and process technology. The firm is highly involved in quality improvement of its product The products are of the best and internationally acceptable standards. They maintain stringent quality checks in every part of our operations right from procurement of raw nut to cleaning, processing and grading, packing and shipping.

The firm has attracted the attention of the cashew importing countries and now exporting these products to USA, Netherlands, Germany, Czech Republic, Singapore, Japan, Middle East Countries, Australia and Cyprus. The firm is equipped with all Modern technologies, machines and equipment. It has a specialized, highly professional

and dedicated staff and work force, which is ready to take any challenges, which may come in future.

However, the business began mining cashew nut shell liquid after 1970. (CNSL) Sulochana Industries, a sibling company founded in 1995, is currently responsible for the extraction of CNSL. They are now one of the top producers of liquid cashew nut shell in the nation, producing 4000 MT annually. The company actively lends money through a syndicate bank, which has given them ongoing support and motivation to help them achieve their objectives. One of the founders in the cashew sector in India is Bola Raghavendra Kamath & Sons, whose daily manufacturing capacity has grown to 400 bags of raw cashew nuts.

## **ii. Nature of business**

Bola Raghavendra Kamath & Sons is a company that operates in the cashew processing industry. The company sources raw cashew nuts from different parts of the country, processes them into cashew kernels using various processing techniques, and packages and distributes them to its customers. The company is involved in all stages of the cashew processing value chain, from sourcing the raw material to delivering the final product to the customers.

The company's product portfolio includes various types of cashew kernels, such as whole kernels, splits, pieces, and grades, as well as value-added products like roasted and flavored cashews. The company caters to both the domestic and international markets, and its products are sold through various channels such as wholesalers, retailers, and online marketplaces.

In addition to processing cashews, the company is also involved in social and environmental initiatives, such as promoting sustainable farming practices among farmers and providing education and healthcare facilities to the local community.

## **iii. Vision mission, quality policy**

### **Vision:**

To make quality our priority and maintain consistent quality standard and offer best before and after-sale service to our clients.

**Mission:**

- To procure our raw cashew nuts from the best cashew growing regions of the world and then process & produce premium quality kernels for both export and Indian domestic market.
- To Make quality our priority and maintain consistent quality standards and offer best before and after-sales services to our clients.
- To adopt and implement the changes taking place in the cashew industry and thereby emerge competitive in the world cashew market.
- To safeguard our community and Environment by undertaking CSR activities.
- To be quality in all policies, programs and their implementation.

**Quality Policy:**

The organizational goal is to “DO IT RIGHT THE FIRST TIME EVERYTIME”

**Objectives:**

- Customer satisfaction
- Quality and service are highly respected
- Large supply of raw cashew nuts in market

**Values:**

- Quality
- Trust
- Commitment

**Milestones:**

- **1940:** Foundation  
Shri Raghavendra bola Kamath started off with trading of cashew nuts. As year passed by Mr. Kamath realized to take the business to next level.
- **1958:** Establishment  
On the 1<sup>st</sup> April 1950 laid the foundation.
- **1962:** First Export Shipment
- Bola Raghavendra Kamath & Sons successfully registered their first export shipment of cashew kernels.



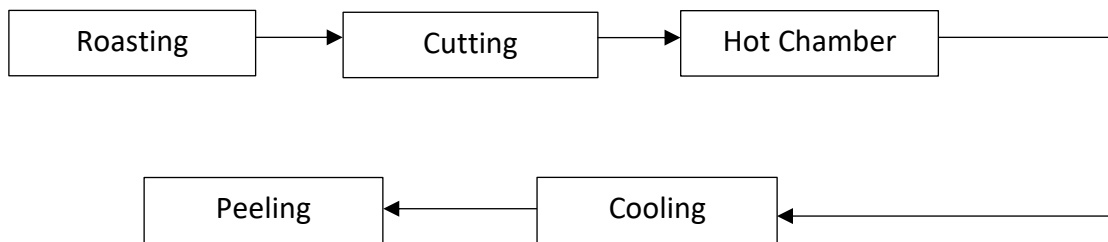
- **1967:**  
The hard work paying off as they were awarded by medal for top export by government of Karnataka.
- **1974:** Export of cashew nut shell liquid  
Registered our first export of cashew nut shell liquid.
- **1978:** Huge Milestone  
Bola Raghavendra Kamath & Son were successfully able to achieve an export revenue of 1 crore which was a huge milestone to be achieved in 1970's.
- **1980:** legacy  
The entry of third generation who continued the business and went on striking the success.
- **1999:**  
Coffee Export we started our first coffee export and got registered for the export of coffee bean.
- **2008:**  
Successfully completed the 60+ year of the business and also achieved the huge milestone.
- **2020:**  
We made a presence on e-commerce Amazon and Flipkart and so amazing growth there on especially during the covid times.
- **2021:**  
We introduced a new brand EPOK (a new era), a segment for premium dry fruits & nuts along with our first retail outlet factory fresh.

#### **iv. Workflow Model**

##### **Cashew Kernels**

The Conversion of Raw Cashew Nut to Cashew Kernels is a six days process.

- Roasting
- Cutting
- Hot Chamber
- Cooling
- Peeling



- **Roasting:**

This is a process where the steam is given to the Raw Cashew Nuts placed in the drum so that the Outer Most shell loosens from the Kernel. They have then kept aside around 24 hours to be dried before passing on to the next process.

- **Cutting:**

In this process, the Cashew kernel is removed from the shell. These shells are passed on for the extraction of a liquid called Cashew Nut Shell Liquid

- **Hot Chamber:**

Once the Cashew kernels are obtained from the shell in the cutting process, they are then placed in the hot chamber at 80 degrees for 5 hours so that they are roasted which facilitates the easy peeling of cashew nuts (removal of Testa) in the upcoming process.

- **Cooling**

After removing the Cashew nuts from the hot Chamber, they are then cooled for 4 hours before peeling

- **Peeling:**

This is the process of removal of Testa (skin) from the cashew nuts through peeling machine which is subject to brushing along with compressed air.

**GRADING:** Around 25 different grades of cashew kernels exist. The graders personally assign these grades. There are grading tables available for this use. Kernels are kept in plastic boxes after grading. Cashew nuts are then sorted depending upon their size and color as per the standards prescribed the CEPCI. The following is a comparison of quality standards and specifications: Cashew kernels are classed into

white/scorched wholes, pieces, splits, butts, and so on based on their form, size, and colour.

**PACKING:** After being graded, kernels are placed in tins by vibratory packing equipment, and the tins are then vacuum packed by adding Co2 to make them pest-free.

The business uses innovative packaging equipment that places kernels in pouches before running them through metal detectors. The prepared tins and pouches are then put into carton boxes.

#### **v. Product/service profile**

Product mix involves planning, developing and processing the right type of products and services to be marketed by the firm. It deals with the product range, durability and other qualities. Apart from producing the right product, emphasis should also be laid on their branding, packaging, color and other features.

There are many types of cashews manufactured by the firm. They are classified as under:

White Wholes (WW)	Scorched Wholes (SW)
Scorched Wholes Second (SWS)	Desert Wholes (DW)
Butts (B)	Small White Pieces (SWP)
Baby Bits (BB)	Large White Pieces (LWP)
Scorched Butts (SB)	Scorched Splits (SS)
Scorched Pieces (SP)	Scorched Small Pieces (SSP)
Scorched Pieces Second (SPS)	Desert Pieces (DP)

#### **vi. OWNERSHIP PATTERN**

M/s Bola Raghavendra Kamath & Sons is a Partnership firm with 7 partners, with each family member heading various departments (like Purchase, Sale, Documentation, Marketing, HR and so on) and being family managed business, all the decision making are retained by the family member itself. Being a family-managed business, all the decision-making processes are retained by the family members themselves. This means

that the Kamath family members have complete control over the management of the firm, including strategic decision-making, financial management, and operational planning.

One of the advantages of a family-owned business is that there is a high level of trust and loyalty among family members. This can lead to a strong sense of commitment and dedication to the business, which in turn can lead to a high level of customer satisfaction and success.

However, family-owned businesses also face unique challenges such as conflicts between family members, lack of professional management, and difficulties in succession planning. It is important for family-owned businesses to have clear guidelines and processes in place to address these challenges and ensure the long-term success of the business.

Overall, the ownership pattern of M/s Bola Raghavendra Kamath & Sons as a family-owned partnership firm can provide both strengths and challenges, and effective management and planning can help to maximize the strengths and minimize the challenges.

#### **vii. Achievements/awards**

##### **AWARDS:**

- First Prize received for the best quality by Council of Agriculture Research, New Delhi.
- Medal for Top Export by Government of Karnataka during 1967-68.
- Export Award by Government of Karnataka during 1976-77, 2001 to 2005.
- K.L.N Award for Top Export during 1977-1978.
- Kanara Chamber of Commerce Export Award for 1987-89.
- State Award for Export 1992-1996.
- National Award by Federation of Indian Export Organisation (FIEO) (Ministry of Commerce Govt. of India during 1999-2000).
- Best Export Award (Rural) for the year 1996-2000 by Government of Karnataka.
- FIEO award for 2003-2005
- State Government award for 2005-2006
- State Export Excellence Award 2009-2011, 2013&2014
- FKCCI Export Excellence Award 2011-2018

**Achievements:**

- A leading Manufacturing and Exporter of cashew, Kernels & cashew nut shell liquid (CNSL)
- Awarded for export performance on national and state level by the government
- Awarded by the FIEO, KLN, Foundation and chamber of commerce
- International and National level Award for quality

**Membership:**

- Federation of India Export organization (FIEO), New Delhi.
- International Nut Council.
- Indian Chamber of Commerce and Industries.
- Karnataka Small Scale Industries Association, Bengaluru.
- Chamber of Commerce and Industries, Mangalore.
- Karnataka Cashew Manufacturers Association, Mangalore.
- Coffee Board.
- Spice Board.
- Udupi Chamber of Commerce.
- Udupi Small Scale Industries Association.
- Agricultural Produce Export Development Authority.

**Future Plans:**

- Building own E-commerce channel
- Become sole suppliers to all top food corporate, food company in India.
- Expansion in Production Capacity.
- Growth of the sales in all the ecom platforms like amazon, flip kart

**CHAPTER 3**

**MC KINSEY 7S FRAMEWORK AND  
PORTER'S FIVE FORCE MODEL**

## MCKINSEY 7S MODEL

The McKinsey 7S Model refers to a tool that analyses a company's "organizational design." The goal of the model is to depict how effectiveness can be achieved in an organization through the interactions of seven key elements – Structure, Strategy, Skill, System, Shared Values, Style, and Staff.

The focus of the McKinsey 7s Model lies in the interconnectedness of the elements that are categorized by "Soft Ss" and "Hard Ss" – implying that a domino effect exists when changing one element in order to maintain an effective balance. Placing "Shared Values" as the "Center" reflects the crucial nature of the impact of changes in founder values on all other elements.

### Hard Elements

- **Strategy:**

Bola Raghavendra Kamath and Sons has a well-defined strategy that aligns with its vision of becoming a leading cashew processing company. The company's focus on delivering high-quality products at competitive prices has helped it gain a foothold in the Indian market. To expand its market share in the international market, the company has invested in technology and innovation. For example, the company has implemented automated systems for cashew processing and quality control to improve efficiency and consistency in its products.

Corporate Strategy: Bola Raghavendra Kamath and Sons' corporate strategy is focused on expanding its market share in the cashew processing industry in India and internationally. The company aims to achieve this by investing in technology and innovation, maintaining high quality standards, and delivering products at competitive prices. As a part of this strategy, the company has made several acquisitions and partnerships with other companies in the industry. For example, the company has partnered with a leading European nut processing company to access the European market and expand its product offerings.

Business Strategy: The company's business strategy is focused on maximizing its operational efficiency and effectiveness to meet its customers' needs while minimizing costs. The company achieves this by investing in automation and technology to improve its cashew processing and quality control systems. This strategy helps the company to

maintain its competitive edge in the market by delivering high-quality products at a competitive price. The company also has a strong focus on customer service, which is an essential part of its business strategy. The company ensures that it delivers products to its customers on time, and also provides them with excellent after-sales support.

Functional Strategy: Bola Raghavendra Kamath and Sons' functional strategy is focused on improving the efficiency and effectiveness of each function within the organization. For example, the company's HR department is responsible for recruiting and training employees with the necessary skills to carry out their jobs efficiently. The production team works to optimize the cashew processing and quality control systems to improve product quality and reduce costs. The marketing team is responsible for promoting the company's products to potential customers in India and abroad. The finance team manages the company's finances and ensures that it has sufficient funds to support its operations.

Overall, Bola Raghavendra Kamath and Sons' strategy is focused on delivering high-quality products at competitive prices, expanding its market share in the cashew processing industry, and investing in technology and innovation. The company's corporate, business, and functional strategies are all aligned with this vision and work together to achieve its goals.

- **Systems:**

Bola Raghavendra Kamath and Sons has implemented robust systems for cashew processing, quality control, inventory management, and distribution. The systems are reviewed and updated regularly to ensure that they remain efficient and effective. The company has also implemented measures to ensure that the cashew nuts are sourced sustainably and ethically, demonstrating its commitment to social responsibility.

Cashew Processing System: The company has implemented an automated processing system for cashew nuts, which includes a series of machines to clean, shell, and grade the nuts based on their size and quality. This system is designed to improve efficiency and consistency in the cashew processing process.

Quality Control System: The company has implemented a comprehensive quality control system to ensure that its products meet the highest standards of quality. The system includes regular testing of the cashew nuts for purity, moisture content, and



other quality parameters. Any non-conforming nuts are rejected, and corrective actions are taken to prevent similar issues in the future.

Inventory Management System: The company has implemented an inventory management system that tracks the stock of raw cashew nuts, processed cashews, and finished products. The system helps the company optimize its inventory levels, reduce waste, and ensure timely delivery of orders.

Distribution System: The company has a well-established distribution network that ensures timely and efficient delivery of its products to customers. The company has partnered with logistics providers to ensure that the products are transported safely and at the lowest cost possible.

Ethical Sourcing Practices: The company has implemented measures to ensure that the cashew nuts are sourced sustainably and ethically. The company sources its cashew nuts from small-scale farmers and cooperatives, ensuring that they receive fair prices for their produce. The company also promotes sustainable agriculture practices to minimize the environmental impact of cashew farming.

Overall, the systems implemented by Bola Raghavendra Kamath and Sons help the company maintain high standards of quality and efficiency in its operations. The company's commitment to ethical sourcing practices also helps it build trust with its customers and stakeholders.

- **Structure:**

The company's hierarchical organizational structure ensures that roles and responsibilities are clearly defined, and there is efficient decision-making. The structure also enables the company to manage its resources effectively, leading to improved productivity and profitability.

Bola Raghavendra Kamath and Sons' organizational structure is hierarchical, with a clear chain of command and a well-defined reporting structure. The top management team, including the managing director, general manager, and senior executives, oversee the operations of the company. The company's production process is divided into different departments, including raw cashew procurement, processing, quality control, and packaging. Each department is headed by a departmental manager who reports to the general manager.

The company has also established a separate marketing and sales department, responsible for promoting the company's products and expanding its market share. The marketing team is responsible for identifying new market opportunities, conducting market research, and developing marketing strategies to promote the company's products.

Furthermore, the administrative staff, including human resources, finance, and accounting, are responsible for managing the company's finances, maintaining employee records, and ensuring compliance with legal and regulatory requirements.

Bola Raghavendra Kamath and Sons' hierarchical organizational structure enables the company to manage its resources effectively, leading to improved productivity and profitability. The structure ensures that there is clear communication and efficient decision-making, enabling the company to respond quickly to changes in the market.

### **Soft Elements**

- **Shared Values:**

Bola Raghavendra Kamath and Sons has a strong commitment to ethical business practices, quality, and customer satisfaction. The company values honesty, integrity, and social responsibility, and these values guide its operations. The company also engages in corporate social responsibility initiatives such as supporting local communities and promoting sustainable sourcing practices.

Ethical business practices: The company upholds high ethical standards in all its operations. It ensures that its products are ethically sourced and processed, and that it complies with all relevant laws and regulations.

Quality: Bola Raghavendra Kamath and Sons is committed to delivering high-quality cashew products to its customers. The company has implemented robust quality control measures to ensure that its products meet the highest standards.

Customer satisfaction: The company places a high value on customer satisfaction and seeks to exceed customer expectations through its products and services. It maintains open communication with its customers to understand their needs and concerns and incorporates their feedback into its operations.

Honesty and integrity: Bola Raghavendra Kamath and Sons values honesty and integrity in all its dealings. The company strives to be transparent and truthful in its communications and interactions with customers, suppliers, and employees.

Social responsibility: The company is committed to social responsibility and supports local communities through various initiatives. It promotes sustainable sourcing practices and ensures that its operations have minimal impact on the environment. The company also supports local schools and charitable organizations through donations and sponsorships

- **Staff:**

The company has a diverse and experienced staff, including engineers, technicians, and administrative staff. The company values its employees and provides a conducive work environment to promote employee satisfaction and retention.

Bola Raghavendra Kamath and Sons prioritize the well-being and growth of its employees. The company offers training and development opportunities to enhance the skills and productivity of its workforce. The company has a comprehensive recruitment process to ensure that it hires skilled and experienced personnel. The employees are treated with respect and are offered fair compensation and benefits.

The company has a proactive approach to health and safety, providing a safe work environment and ensuring that employees have access to necessary protective gear and equipment. Additionally, the company has a grievance redressal mechanism to address any concerns or complaints raised by employees.

Bola Raghavendra Kamath and Sons encourage employee engagement and participation by organizing team-building activities, celebrating employee achievements, and recognizing outstanding performance. The company's participative leadership style ensures that employees have a say in the decision-making process, which promotes a positive work environment.

The company values diversity and promotes an inclusive workplace culture that respects differences in race, gender, religion, and other aspects. The employees are encouraged to work together as a team to achieve common goals, which enhances productivity and fosters a sense of camaraderie.

- **Skills:**

The company's employees are skilled in cashew processing, quality control, sales, and marketing. The company invests in their training and development to enhance their skills and improve productivity. The company also encourages cross-functional training and job rotation to improve the employees' versatility and adaptability.

Bola Raghavendra Kamath & Sons operates in the cashew industry, which requires a skilled workforce to ensure that the cashews are processed and packaged to meet the customers' expectations. The company invests in its employees' skills through various training and development programs to ensure that they have the necessary skills and knowledge to carry out their roles effectively.

For example, the company may train its employees on cashew processing techniques, quality control procedures, and packaging standards to ensure that the cashews meet the desired quality and packaging standards. The company may also train its employees on sales and marketing skills to improve their ability to market the products and expand the company's market share.

Furthermore, the company encourages cross-functional training and job rotation to improve its employees' versatility and adaptability. Cross-functional training allows employees to learn skills outside of their primary job functions, improving their understanding of the overall business operations. Job rotation involves rotating employees to different roles within the company to gain exposure to different areas of the business and improve their versatility.

Overall, the company's investment in its employees' skills and development enables it to improve productivity, quality, and customer satisfaction, leading to increased profitability and growth in the cashew industry.

- **Style:**

The company has a participatory leadership style, where decisions are made in consultation with employees. The company values teamwork, transparency, and open communication, which promotes a positive work environment.

Bola Raghavendra Kamath and Sons' participatory leadership style encourages employees to be involved in decision-making, which fosters a sense of ownership and

responsibility. The company's leaders work closely with employees to develop a shared vision and set goals to achieve it. This approach promotes open communication and collaboration, leading to improved problem-solving and innovation.

The participatory leadership style also helps to create a positive work environment, where employees feel valued and motivated to perform their best. The company encourages feedback from employees and provides opportunities for professional growth and development. The leadership style promotes transparency, which helps to build trust between employees and management, leading to increased job satisfaction and loyalty.

### **Porter's Five Forces Model**

Porter's Five Forces model is a widely used tool for assessing the competitive environment of an industry. The analysis considers five key forces that can affect the profitability and competitiveness of a company. Here is a Porter's Five Forces model of Bola Raghavendra Kamath and Sons

#### **Threat of New Entrants:**

The cashew processing industry has relatively low entry barriers, which makes it easy for new entrants to enter the market. However, new entrants need to invest a significant amount of capital to set up a processing plant and establish a distribution network. Additionally, established players like Bola Raghavendra Kamath and Sons have a strong reputation and customer base, making it difficult for new entrants to gain a foothold in the market.

Bola Raghavendra Kamath and Sons has been in the cashew industry for over 75 years and has established a strong reputation in the market. The company has invested in technology and innovation, which has enabled it to improve efficiency and consistency in its products. This investment has also allowed the company to develop a strong distribution network, which makes it easier for them to reach their customers.

Moreover, the company has also implemented sustainable and ethical practices in its sourcing and production processes, which has helped it gain a loyal customer base. As a result, new entrants would need to invest significantly in establishing a similar reputation and customer base, which could be a major challenge.

In addition to these factors, the government regulations and policies related to food processing and export could also act as a barrier to new entrants. The compliance with these regulations and policies requires significant investment and expertise, which can be a challenging task for new entrants. Therefore, the threat of new entrants for Bola Raghavendra Kamath and Sons is relatively low due to these factors.

#### **Bargaining Power of Suppliers:**

The bargaining power of suppliers is moderate in the cashew processing industry. The industry is heavily dependent on the availability and price of raw cashew nuts, which are sourced from countries like Africa, Vietnam, and India. Suppliers have a moderate bargaining power as there are many suppliers available in the market. However, fluctuations in the supply and demand of cashew nuts can impact the price of raw material, which affects the profitability of the cashew processing companies.

Bola Raghavendra Kamath and Sons have implemented measures to ensure that the cashew nuts are sourced sustainably and ethically, demonstrating its commitment to social responsibility. The company has established long-term relationships with reliable suppliers, which helps to mitigate the risk of supply chain disruptions. The company also has its own cashew plantations, which gives it some leverage in the bargaining process. Furthermore, the company has invested in technology and processes to reduce wastage during the processing stage, which helps to offset the impact of fluctuations in raw material prices. Overall, while the bargaining power of suppliers is moderate in the cashew processing industry, Bola Raghavendra Kamath and Sons have taken steps to manage this risk effectively.

#### **Bargaining Power of Buyers:**

The bargaining power of buyers is high in the cashew processing industry. Cashew products are commodities, and buyers have many options to choose from. Buyers can switch to other cashew processing companies if they are not satisfied with the quality or price of the products offered by Bola Raghavendra Kamath and Sons. This makes it crucial for the company to maintain its quality standards and competitive pricing.

Bola Raghavendra Kamath and Sons is aware of the high bargaining power of buyers and has a customer-centric approach. The company values customer satisfaction and strives to provide high-quality products at competitive prices. The company also invests

in research and development to innovate and offer unique products to customers. Additionally, the company has established long-term relationships with its customers, which helps in retaining them and reducing the risk of losing them to competitors.

Therefore, in order to maintain a competitive advantage, Bola Raghavendra Kamath and Sons needs to ensure that it maintains its quality standards and offers competitive pricing to its customers. Additionally, the company needs to focus on building strong relationships with its customers to ensure loyalty and repeat business. This can be achieved by providing excellent customer service, listening to customer feedback, and offering customized solutions to meet the unique needs of each customer.

### **Threat of Substitutes:**

The threat of substitutes in the cashew processing industry is moderate. There are many other nut processing industries, but cashew nuts have unique characteristics and are used in a variety of food products. However, there are many other snack options available in the market that can substitute cashew products, which makes it important for the company to differentiate its products and branding.

Bola Raghavendra Kamath and Sons differentiate their cashew products through their commitment to quality and ethical business practices. They source high-quality raw cashew nuts from trusted suppliers, use modern processing techniques to ensure consistency and maintain strict quality control measures throughout the production process. This allows the company to provide customers with high-quality cashew products that are free from additives and harmful chemicals.

In addition, the company offers a wide range of cashew products, including roasted and salted cashews, flavored cashews, and cashew powders, catering to different customer preferences. The company also promotes its products as healthy snacks, which can help to differentiate them from other snack options.

Furthermore, the company has established a strong brand reputation through its commitment to social responsibility and sustainable sourcing practices. This can help to attract customers who prioritize ethical and sustainable products, thereby reducing the threat of substitutes.

**Competitive Rivalry:**

The competitive rivalry in the cashew processing industry is high. There are many established players in the market, including international players. Bola Raghavendra Kamath and Sons has a strong reputation and customer base in the domestic market, but the company needs to continuously innovate and differentiate its products to remain competitive and expand its market share.

Bola Raghavendra Kamath and Sons operates in a highly competitive cashew processing industry, with many established players and new entrants continuously entering the market. The company faces stiff competition from both domestic and international players, who offer similar products at competitive prices.

To remain competitive, Bola Raghavendra Kamath and Sons must differentiate its products and branding, invest in research and development, and focus on improving its production processes to improve efficiency and reduce costs. The company has a strong reputation and customer base in the domestic market, which gives it an advantage over new entrants. However, the company needs to continuously innovate and expand its product portfolio to maintain its market share and grow its business.

In addition to traditional cashew products, Bola Raghavendra Kamath and Sons has expanded its product portfolio to include value-added products such as flavored and roasted cashews. The company also offers private labeling services to other companies, which has helped to diversify its revenue streams and improve its market position.

Overall, the competitive rivalry in the cashew processing industry is intense, and Bola Raghavendra Kamath and Sons must continue to innovate, differentiate, and invest in its employees and operations to maintain its position in the market.



## **CHAPTER 4**

# **SWOT ANALYSIS**

## SWOT ANALYSIS

### Strengths

- **Good and dedicated employee strength**

Cashew processing starts with the harvesting of raw cashew nuts. A good and dedicated employee strength can ensure that the raw cashew nuts are harvested at the right time and in the right way, which can help maintain the quality of the raw material. Cashew processing involves several stages, including roasting, shelling, peeling, and grading, and each of these stages requires a certain level of skill and expertise. Having a good and dedicated employee strength can ensure that each of these stages is carried out efficiently, with minimal wastage or errors, which can help reduce costs and improve the overall profitability of the industry.

- **Mechanized processing unit**

Mechanized processing units can process cashew nuts much more quickly and efficiently than manual labor, which can help reduce processing costs and increase the profitability of the industry. Mechanized processing units can provide more consistent results than manual labor, which can help maintain the quality and standard of the finished product. This can be particularly important in meeting the demand for cashews during peak seasons. Mechanized processing units can maintain better hygiene standards than manual labor, which can help to improve the overall quality of the finished product. Proper sanitation and cleanliness can be ensured throughout the processing unit with the help of machines.

- **Long history in the cashew trading business:**

BRK has been in the cashew industry for over 60 years, which has enabled them to gain valuable experience and knowledge in the industry. It established a strong reputation in the industry. This is a significant strength, as it can lead to better decision-making and more efficient operations.

- **Diversified product portfolio:**

Bola Raghavendra Kamath and Sons has a diversified product portfolio that includes a variety of cashew products, such as roasted cashews, flavored cashews, salted cashews, and other snack mixes. This diversification in products helps the company cater to the changing consumer preferences and demands, thereby increasing its market share and customer base. The company continuously innovates and introduces new products to keep up with the market trends and consumer demands. The company has recently

introduced cashew butter, which is a healthier alternative to traditional butter and is gaining popularity among health-conscious consumers. Similarly, the company also offers flavored cashews such as peri-peri, black pepper, and cheese, which caters to the taste preferences of different customer segments. The diversified product portfolio of Bola Raghavendra Kamath and Sons not only helps the company to remain competitive in the market but also helps to increase its revenue streams and profitability.

### **Weakness**

- **High maintenance cost of machines**

Cashew processing involves the use of specialized machinery, which requires regular maintenance to ensure the quality of the final product. The machines used in the cashew processing industry can be expensive and require a significant investment. Additionally, the maintenance cost of these machines can also be high, which can impact the profitability of the company. Bola Raghavendra Kamath and Sons, being a leading cashew processing company, may also face high maintenance costs for their machinery. The company needs to invest in the regular maintenance and upgradation of their machinery to ensure that their production process is efficient and meets the required quality standards.

- **Checking the quality before purchasing raw cashew is very difficult:**

In the cashew industry, checking the quality of raw cashew nuts before purchasing them can be a challenge. This is because raw cashew nuts are sourced from various countries, and the quality of the nuts can vary based on factors such as the season, weather conditions, and storage practices. This is because the company heavily relies on the quality of raw cashew nuts to produce high-quality cashew products, and any defect in the raw material can affect the final product's quality. The difficulty in assessing the quality of raw cashew nuts can lead to the company procuring low-quality raw materials, which can impact the final product's quality, resulting in dissatisfied customers and loss of market share. Additionally, if the company is unable to identify any quality issues with the raw cashew nuts before purchasing, it can result in financial losses for the company.

- **Limited international reach:**

Bola Raghavendra Kamath and Sons has primarily focused on the domestic market and has limited international reach, which can be a weakness in terms of its growth potential. While the company has a strong presence in the domestic market, it is missing

out on opportunities in the global market. The global demand for cashew nuts is increasing, and there is potential for the company to expand its reach and tap into new markets.

However, expanding internationally requires significant investments in terms of establishing distribution networks, understanding local regulations, and building brand recognition in new markets. Additionally, the company may face competition from established international players and other local companies in those markets. Therefore, it is important for the company to carefully evaluate the risks and benefits of expanding internationally and develop a comprehensive strategy to ensure successful entry into new markets

### **Opportunities**

- **Expansion into international markets:**

Expanding into new international markets can provide Bola Raghavendra Kamath and Sons with new opportunities for growth and revenue. By tapping into new markets, the company can increase its customer base and reduce its dependence on the domestic market. The company can also benefit from the potential cost savings of operating in countries with lower labor and production costs.

One potential market for the company is the Middle East, where there is a growing demand for cashew products. The company can also explore opportunities in other regions such as Europe, North America, and Asia, where there is a large market for healthy and natural food products. The company can use its long-standing reputation in the industry and focus on quality to differentiate itself in these new markets.

However, expanding into international markets also poses certain challenges. The company will need to adapt to the cultural and regulatory differences of the new markets and develop effective marketing strategies to reach its target audience. It will also need to ensure that its products meet the quality standards and regulations of the new markets. Additionally, the company will need to invest in logistics and distribution channels to ensure that its products reach customers in a timely and efficient manner.

- **Large number of International Buyers**

As cashews are in high demand globally, the company can leverage this opportunity to expand its customer base and increase its revenue. By targeting new international markets and establishing a strong presence, the company can tap into the growing demand for cashew products and diversify its revenue streams. This would also reduce

the company's dependence on the domestic market and make it less vulnerable to any fluctuations or disruptions in the local economy. With its strong reputation for quality control and diversified product portfolio, Bola Raghavendra Kamath and Sons can position itself as a reliable and trusted supplier in the global cashew industry.

- If company appoints skilled labor with the automation process, then that provides an opportunity for the company for producing quality of goods effectively and more efficiently

### **Threats**

- **Instability in foreign currency**

Instability in foreign currency can be a significant threat to the cashew processing industry, including Bola Raghavendra Kamath & Sons. This is because the company's revenue and profits can be impacted by fluctuations in exchange rates when dealing with international buyers and suppliers. The instability in foreign currency can also affect the cost of raw materials, such as cashew nuts, which are sourced from other countries. The unpredictability of foreign currency can create uncertainty and risks for the company's financial performance and operations. It can also make it challenging to plan and implement long-term strategies for growth and expansion.

- **Intense competition**

The cashew processing industry is highly competitive, with many established players operating in the market. Bola Raghavendra Kamath and Sons face stiff competition from both domestic and international players in the industry. These competitors offer similar products and services, and often engage in price wars to capture a larger market share.

In addition, new players enter the market from time to time, intensifying competition further. This makes it challenging for Bola Raghavendra Kamath and Sons to maintain its market position and grow its revenue. The company needs to continuously innovate, improve its product quality and differentiation, and maintain competitive pricing to stay ahead of its competitors in the industry.

- **Global market changes:**

The global cashew industry is subject to various market changes, including changes in consumer preferences, supply chain disruptions, and international trade policies. These changes can lead to fluctuations in cashew prices, affecting the profitability of the cashew processing industry. For example, if there is an oversupply of cashew nuts in

the global market, prices may drop, leading to lower profits for cashew processing companies. Similarly, if there is a high demand for cashew nuts due to their health benefits, prices may increase, leading to higher raw material costs for processing companies. Therefore, cashew processing companies like Bola Raghavendra Kamath and Sons need to closely monitor global market changes and adjust their strategies accordingly to remain competitive and profitable.

- **Labor shortage:**

Labor shortage is a threat to the cashew processing industry, including Bola Raghavendra Kamath & Sons. The cashew processing industry requires a skilled workforce to operate and maintain the processing equipment, handle the raw materials, and maintain the quality of the final product. However, there is a shortage of skilled labor in the region, which can lead to increased labor costs, reduced productivity, and a decrease in the quality of the final product.

The shortage of skilled labor can also limit the company's ability to expand its operations and meet the growing demand for its products. To overcome this challenge, the company can invest in employee training and development programs to improve the skills of its workforce. It can also explore partnerships with educational institutions to attract and train new talent in the industry. Additionally, the company can implement innovative technologies such as automation to reduce its dependence on manual labor and improve efficiency.

## **CHAPTER 5**

### **ANALYSIS OF FINANCIAL STATEMENT**

## ANALYSIS OF FINANCIAL STATEMENT

A financial statement is a written record which provides complete information about the financial position, and performance of the company to make the good decision to earn more profit in the future days. The financial statement of the company includes a balance sheet, Income statement, cash flow statement and Statement of shareholder's equity. This statement not only helps the company with the economic decision but also to know the performance of the company for the outsiders like investors, banks, the public and etc.

### Balance sheet of Bola Raghavendra Kamath & sons

(All amounts in Indian rupees crore)

PARTICULARS (IN CRORES)	2022	2021	2020
<b><u>EQUITIES AND LIABILITIES</u></b>			
Partners' capital	8.49	6.50	5.54
<b>Total share capital</b>	8.49	6.50	5.54
Reserves and surplus	5.08	6.53	4.50
<b>Total reserves and surplus</b>	<b>5.08</b>	<b>6.53</b>	<b>4.50</b>
<b>Total shareholders fund</b>	<b>13.57</b>	<b>13.03</b>	<b>10.04</b>
<b>Non-current liability</b>			
Long term borrowings	5.87	3.52	00
Long term provisions	0.12	0.12	00
<b>Total non-current liability</b>	<b>5.99</b>	<b>3.64</b>	<b>00</b>
<b>Current Liability</b>			
Short term borrowings	4.09	2.10	1.00
Trade payables	1.20	0.75	0.67
Other current liabilities	0.86	0.93	0.94
<b>Total current liability</b>	<b>6.15</b>	<b>3.78</b>	<b>2.61</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>25.71</b>	<b>20.45</b>	<b>12.55</b>
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>			
Tangible assets	12.45	10.06	7.50
Non-current investments	1.89	1.61	0.58



Long term loans and advances	2.67	2.35	0.73
<b>Total non-current Assets</b>	<b>17.01</b>	<b>14.02</b>	<b>7.81</b>
<b>Currents Assets</b>			
Inventories	2.29	2.24	1.42
Trade receivables	1.24	0.86	00
Cash	2.42	1.96	1.30
Other current assets	2.75	1.37	1.02
<b>Total current Assets</b>	<b>8.70</b>	<b>6.43</b>	<b>3.74</b>
<b>TOTAL ASSETS</b>	<b>25.71</b>	<b>20.45</b>	<b>12.55</b>

The balance sheet shows the financial position of Bola Raghavendra Kamath & Sons for the years 2022, 2021, and 2020 in Indian Rupees crore.

The equity and liabilities section shows that the total shareholders' funds have increased from 10.04 crore in 2020 to 13.57 crore in 2022, indicating an improvement in the company's financial position. The non-current liabilities have also increased from 3.64 crore in 2021 to 5.99 crore in 2022, which includes long-term borrowings and provisions. The current liabilities have increased from 3.78 crore in 2021 to 6.15 crore in 2022, which includes short-term borrowings, trade payables, and other current liabilities.

The assets section shows that the non-current assets have increased from 7.81 crore in 2020 to 17.01 crore in 2022, which includes tangible assets, non-current investments, and long-term loans and advances. The current assets have also increased from 6.43 crore in 2021 to 8.70 crore in 2022, which includes inventories, trade receivables, cash, and other current assets.

Overall, the balance sheet indicates that Bola Raghavendra Kamath & Sons has experienced growth in their financial position and assets in the past few years.

#### **PROFIT & LOSS ACCOUNT FROM 2020– 2022**

<b>PARTICULARS</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b><u>INCOME</u></b>			
Revenue From Operations	31.86	26.67	21.69

Less: Excise/Service Tax	6.30	5.76	4.35
Revenue From Operations (Net)	25.56	20.91	17.34
Other Income	2.04	1.73	0.92
<b>Total Revenue</b>	<b>27.60</b>	<b>22.64</b>	<b>18.26</b>
<b><u>EXPENSES</u></b>			
Cost Of Materials Consumed	8.42	6.84	5.84
Purchase Of Stock in Trade	0.22	0.10	0.05
Operating Expenses	2.05	2.87	1.58
WIP And Stock in Trade	0.68	0.30	0.16
Employee Benefit Expenses	1.24	0.95	0.68
Finance Cost	0.46	0.26	0.13
Depreciation Expenses	0.63	0.46	0.32
Other Expenses	2.86	2.47	1.83
<b>Total Expenses</b>	<b>8.56</b>	<b>6.25</b>	<b>4.59</b>
Profit/Loss Before Extra- Ordinary Items and Taxes	8.56	6.25	4.59
Extraordinary Items	0.00	0.00	0.00
Profit/Loss Before Tax	8.56	6.25	4.59
Tax Expenses	4.89	3.56	2.30
<b>Profit/Loss for The Period</b>	<b>3.67</b>	<b>2.69</b>	<b>2.29</b>

The Profit & Loss account of Bola Raghavendra Kamath & Sons cashew industry for the years 2020, 2021, and 2022. The profit and loss account provides a summary of the company's revenues, costs, and expenses during the specified period.

In terms of revenue, the company's revenue from operations has increased over the years, from 21.69 in 2020 to 26.67 in 2021, and further to 41.86 in 2022. However, after deducting excise/service tax, the net revenue from operations has increased from 17.34 in 2020 to 20.91 in 2021, and further to 25.56 in 2022.

In addition to revenue from operations, the company has also earned other income, which has increased from 0.92 in 2020 to 1.73 in 2021 and further to 2.04 in 2022.

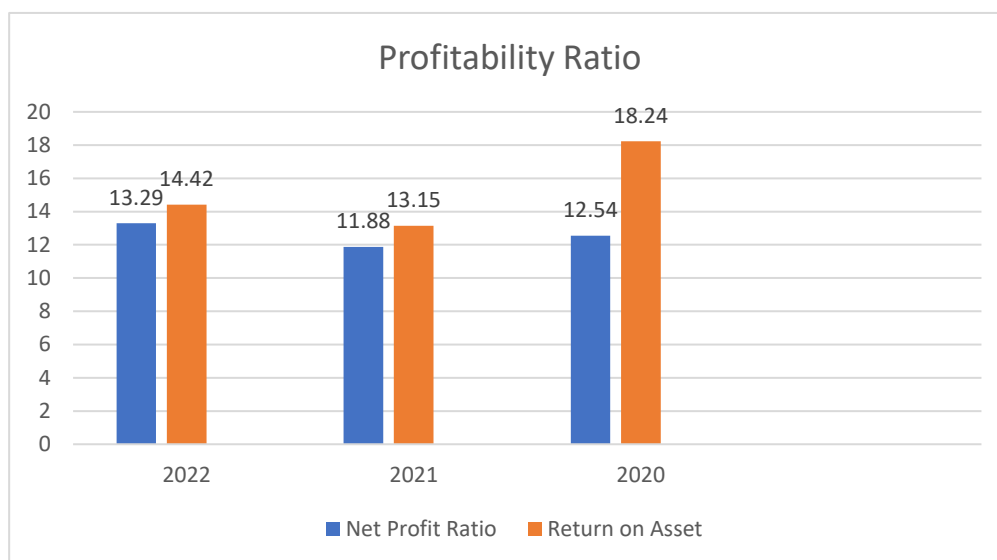
Moving on to expenses, the company has incurred various expenses such as the cost of materials consumed, purchase of stock in trade, operating expenses, WIP and stock in trade, employee benefit expenses, finance cost, depreciation expenses, and other expenses. The total expenses have increased over the years, from 7.59 in 2020 to 10.25 in 2021 and further to 12.56 in 2022.

The profit/loss before extraordinary items and taxes has increased from 7.59 in 2020 to 10.25 in 2021 and further to 12.56 in 2022. However, after deducting tax expenses, the profit/loss for the period has increased from 5.29 in 2020 to 6.69 in 2021 and further to 7.67 in 2022.

<b>RATIOS</b>		<b>31/03/2022</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
<b>Profitability Ratio</b>	Net profit ratio	13.29%	11.88%	12.54%
	Return on Assets (ROA)	14.42%	13.15%	18.24%
<b>Liquidity ratio</b>	Current ratio	1.41	1.70	1.43
	Quick ratio	1.04	1.11	0.89
<b>Leverage ratio</b>	Debt to asset ratio	0.23	0.17	0
	Debt to equity ratio	0.43	0.35	0
<b>Activity Ratio</b>	Inventory Turnover Ratio	3.74 times	2.79 times	3.23 times
	Asset Turnover Ratio	1.74	1.11	1.45

In summary, the company has been able to increase its revenue and profit over the years, although the expenses have also increased. The increase in revenue can be attributed to the growth of the company's operations, while the increase in expenses can be attributed to the growth of the company's operations and the cost of materials consumed.

### Profitability Ratio:



### Net profit ratio

The gross profit ratio is the ratio of gross profit to net sales, and it indicates the efficiency of the company in generating profits from its sales. A higher gross profit ratio indicates that the company is more efficient in generating profits from its sales.

From the data above, we can see that the gross profit ratio for Bola Raghavendra Kamath & Sons Cashew Industry has increased from 0.42 in 2020 to 0.46 in 2022. This indicates that the company has become more efficient in generating profits from its sales over the past three years. This could be due to various factors such as increased efficiency in production, better pricing strategies, or improved marketing efforts.

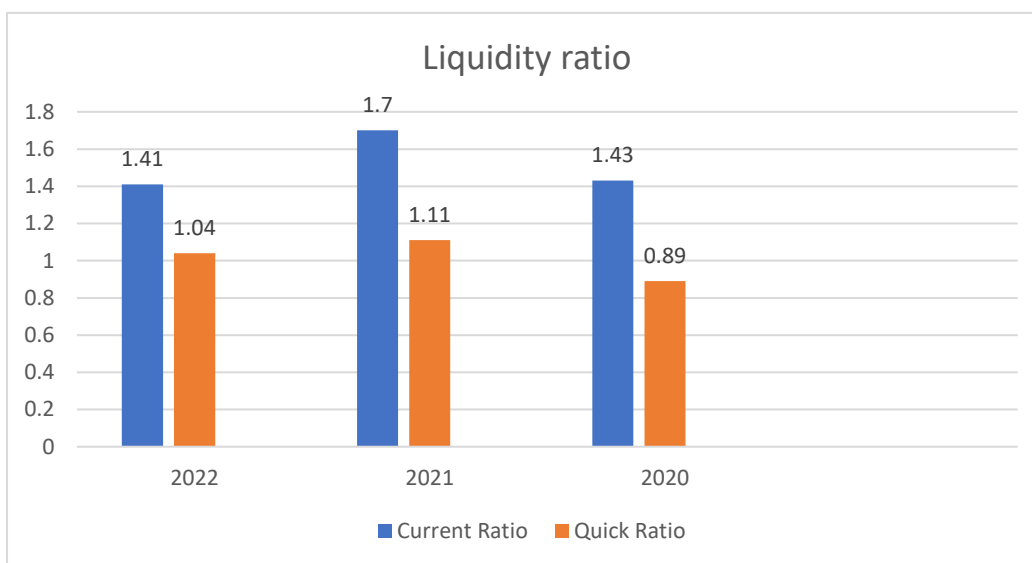
### Return on Assets (ROA)

Return on Assets (ROA) is a financial ratio that measures a company's profitability by showing how efficiently it uses its assets to generate earnings. The ratio is calculated by dividing net income by total assets.

In the given data, Bola Raghavendra Kamath & Sons had an ROA of 14.42% in 2022, 13.15% in 2021, and 18.24% in 2020. This indicates that the company generated 14.42%, 13.15%, and 18.24% of earnings from its assets in the respective years.

A higher ROA indicates better efficiency in generating earnings from assets. Therefore, the trend of ROA for Bola Raghavendra Kamath & Sons shows a positive sign, and the company is utilizing its assets efficiently to generate profits.

### **Liquidity ratio**



### **Current ratio**

In 2022, the current ratio is 1.41, which indicates that Bola Raghavendra Kamath & Sons has slightly more current assets than current liabilities, which is a good sign for the company's short-term liquidity. In 2021, the current ratio is 1.70, which indicates an improvement in the company's ability to pay off its short-term liabilities compared to the previous year. In 2020, the current ratio is 1.43, which is slightly lower than the current ratio in 2021, but still indicates that the company has enough current assets to cover its current liabilities.

Overall, the trend shows that Bola Raghavendra Kamath & Sons has been maintaining a healthy current ratio over the years, which indicates that the company has a strong short-term liquidity position.

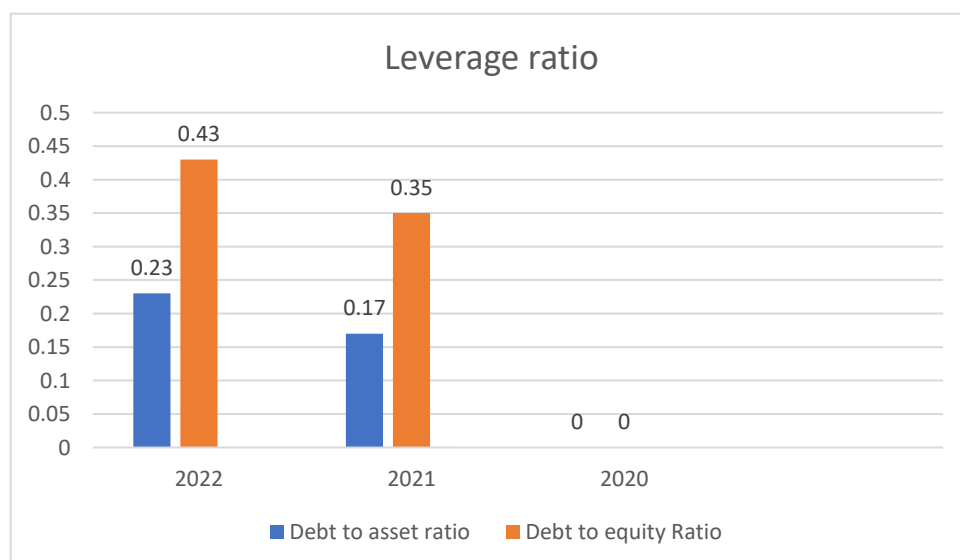
## Quick ratio

The quick ratio, also known as the acid-test ratio, is a measure of a company's ability to meet its short-term obligations using its most liquid assets. The quick ratio is a more conservative measure of liquidity than the current ratio as it only considers the most liquid assets, such as cash and accounts receivable, and excludes inventories and prepaid expenses.

Based on the provided data, the quick ratio for Bola Raghavendra Kamath & sons for the years 2022, 2021, and 2020 are 1.04, 1.11, and 0.89 respectively. An ideal quick ratio is considered to be 1:1, indicating that a company's quick assets are sufficient to cover its current liabilities. A quick ratio of less than 1 may indicate that a company may struggle to meet its short-term obligations, while a quick ratio of more than 1 indicates that a company is in a good position to meet its short-term obligations.

Therefore, based on the quick ratio figures provided, Bola Raghavendra Kamath & sons appears to have a relatively good ability to meet its short-term obligations for the years 2022 and 2021 as the quick ratio is above 1. However, the quick ratio for 2020 is less than 1, which suggests that the company may have struggled to meet its short-term obligations during that year.

## Leverage ratio



### Debt to asset ratio

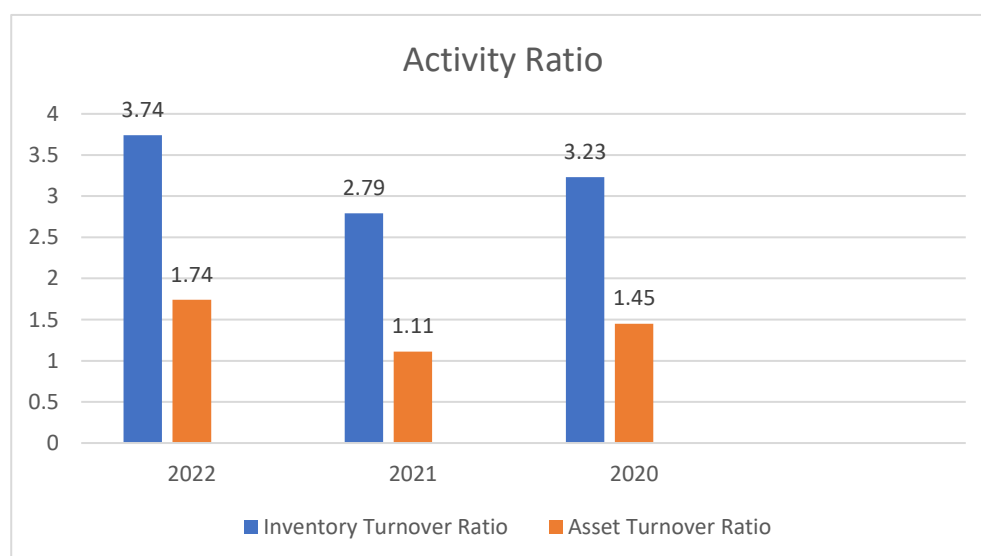
The debt to asset ratio indicates the proportion of a company's assets that are financed through debt. A lower debt to asset ratio is generally considered more favorable as it indicates that the company is less reliant on debt financing and has a stronger financial position.

In the case of Bola Raghavendra Kamath & sons, the debt to asset ratio has been decreasing over the years, from 0.23 in 2022 to 0.17 in 2021, and 0 in 2020. This suggests that the company has been gradually reducing its reliance on debt to finance its assets. Overall, a debt to asset ratio of 0 indicates that the company has no debt and is fully financed by equity, which could be seen as a positive sign from a financial stability standpoint.

### Debt to equity ratio

These ratios suggest that the company has increased its reliance on debt financing over the past two years, with a ratio of 0.43 in 2022 indicating that it has more debt than equity financing. However, it is important to note that a debt-to-equity ratio of 0 in 2020 may not necessarily mean that the company had no debt, but rather that its equity financing was equal to or greater than its debt financing. Overall, the trend in the debt-to-equity ratio warrants monitoring to ensure that the company is managing its debt levels responsibly.

### Activity Ratio



### **Inventory Turnover**

Bola Raghavendra Kamath & Sons had an inventory turnover ratio of 3.74 times in 2022, which means that the company sold and replaced its inventory 3.74 times during the year. This is an improvement from the previous year, where the ratio was 2.79 times. In 2020, the ratio was 3.23 times.

Overall, the trend shows that the company is improving its inventory turnover, which can lead to better cash flow and profitability. However, it's important to note that the optimal inventory turnover ratio varies by industry and business type, so it's best to compare the company's ratio to its peers for a more accurate interpretation.

### **Asset Turnover Ratio**

Bola Raghavendra Kamath & Sons, the asset turnover ratio is 1.74 in 2022, 1.11 in 2021, and 1.45 in 2020. This indicates that the company's efficiency in using its assets to generate revenue has improved in 2022 compared to 2021 and 2020. The increase in the ratio could be due to factors such as increased sales, improved production efficiency, or better asset management. It is important to note that the asset turnover ratio should be analyzed in conjunction with other financial ratios and factors to get a complete picture of a company's financial health.



# **CHAPTER 6**

## **LEARNING EXPERIENCE**

## **LEARNING EXPERIENCE**

The learning experience gained during the organization study at Bola Raghavendra Kamath & Sons was very practical and insightful. Working with a family-managed business provided a unique opportunity to observe how decisions are made and implemented.

During the internship, I learned about the different departments and functions within the organization, including purchase, sales, documentation, marketing, and HR. It was interesting to see how each family member headed a specific department and contributed to the overall success of the business.

In addition to practical experience, I also gained theoretical knowledge about the cashew industry. For instance, I learned about the 7s framework, which helped me understand how the company gains a competitive advantage by controlling internal and external factors. It also helped me understand the structure of the organization and the different strategies the company follows to manage its staff and customers.

Furthermore, I learned about the financial ratios of the company and how they showcase the positive financial position of the business. This included understanding how the company manages its financial transactions such as debt, liquidity positions, shares, expenses, and revenues.

Similarly, during my organization study at Bola Raghavendra Kamath & sons Cashew Industries, I had the opportunity to learn about the cashew industry and gain practical experience. I worked with Ms. Vrinda Kamath, who is the Business Developer of Bola Raghavendra Kamath & sons Cashew Industries, and received guidance on the different aspects of the industry.

During my internship, I applied the 7s framework and the 5force model to understand the competitive landscape of the industry. This helped me analyze competitors, threats of new competitors, and the firm's relationship with suppliers and customers.

During my organization study at Bola Raghavendra Kamath & Sons, I also learned about the importance of quality control in the cashew industry. I observed how the company ensures that only high-quality cashews are sourced and processed, and how they conduct regular quality checks throughout the production process. This helped me

understand how important it is to maintain a high standard of quality in order to remain competitive in the industry.

Additionally, I had the opportunity to learn about the various marketing strategies employed by the company. This included observing how the company uses social media and other digital marketing channels to promote their products and increase brand awareness. I also learned about the importance of customer feedback and how the company uses this feedback to improve their products and services.

Furthermore, I gained insight into the challenges faced by family-managed businesses, such as managing interpersonal relationships and succession planning. It was interesting to see how the family members worked together to ensure that the business was successful and sustainable in the long run.

Overall, my experience at Bola Raghavendra Kamath & Sons provided a comprehensive understanding of the cashew industry and the different aspects of running a family-managed business. I am grateful for the opportunity to learn and grow through this experience.

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## Annexure

### Balance sheet of Bola Raghavendra Kamath & sons

(All amounts in Indian rupees crore)

<b>PARTICULARS (IN CRORES)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b><u>EQUITIES AND LIABILITIES</u></b>			
Partners' capital	8.49	6.50	5.54
<b>Total share capital</b>	<b>8.49</b>	<b>6.50</b>	<b>5.54</b>
Reserves and surplus	5.08	6.53	4.50
<b>Total reserves and surplus</b>	<b>5.08</b>	<b>6.53</b>	<b>4.50</b>
<b>Total shareholders fund</b>	<b>13.57</b>	<b>13.03</b>	<b>10.04</b>
<b>Non-current liability</b>			
Long term borrowings	5.87	3.52	00
Long term provisions	0.12	0.12	00
<b>Total non-current liability</b>	<b>5.99</b>	<b>3.64</b>	<b>00</b>
<b>Current Liability</b>			
Short term borrowings	4.09	2.10	1.00
Trade payables	1.20	0.75	0.67
Other current liabilities	0.86	0.93	0.94
<b>Total current liability</b>	<b>6.15</b>	<b>3.78</b>	<b>2.61</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>25.71</b>	<b>20.45</b>	<b>12.55</b>
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>			
Tangible assets	12.45	10.06	7.50
Non-current investments	1.89	1.61	0.58
Long term loans and advances	2.67	2.35	0.73
<b>Total non-current Assets</b>	<b>17.01</b>	<b>14.02</b>	<b>7.81</b>
<b>Currents Assets</b>			
Inventories	2.29	2.24	1.42
Trade receivables	1.24	0.86	00
Cash	2.42	1.96	1.30
Other current assets	2.75	1.37	1.02

<b>Total current Assets</b>	<b>8.70</b>	<b>6.43</b>	<b>3.74</b>
<b>TOTAL ASSETS</b>	<b>25.71</b>	<b>20.45</b>	<b>12.55</b>

The balance sheet shows the financial position of Bola Raghavendra Kamath & Sons for the years 2022, 2021, and 2020 in Indian Rupees crore.

The equity and liabilities section shows that the total shareholders' funds have increased from 10.04 crore in 2020 to 13.57 crore in 2022, indicating an improvement in the company's financial position. The non-current liabilities have also increased from 3.64 crore in 2021 to 5.99 crore in 2022, which includes long-term borrowings and provisions. The current liabilities have increased from 3.78 crore in 2021 to 6.15 crore in 2022, which includes short-term borrowings, trade payables, and other current liabilities.

The assets section shows that the non-current assets have increased from 7.81 crore in 2020 to 17.01 crore in 2022, which includes tangible assets, non-current investments, and long-term loans and advances. The current assets have also increased from 6.43 crore in 2021 to 8.70 crore in 2022, which includes inventories, trade receivables, cash, and other current assets.

Overall, the balance sheet indicates that Bola Raghavendra Kamath & Sons has experienced growth in their financial position and assets in the past few years.

#### **PROFIT & LOSS ACCOUNT FROM 2020– 2022**

<b>PARTICULARS</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b><u>INCOME</u></b>			
Revenue From Operations	31.86	26.67	21.69
Less: Excise/Service Tax	6.30	5.76	4.35
Revenue From Operations (Net)	25.56	20.91	17.34
Other Income	2.04	1.73	0.92
<b>Total Revenue</b>	<b>27.60</b>	<b>22.64</b>	<b>18.26</b>
<b><u>EXPENSES</u></b>			

Cost Of Materials Consumed	8.42	6.84	5.84
Purchase Of Stock in Trade	0.22	0.10	0.05
Operating Expenses	2.05	2.87	1.58
WIP And Stock in Trade	0.68	0.30	0.16
Employee Benefit Expenses	1.24	0.95	0.68
Finance Cost	0.46	0.26	0.13
Depreciation Expenses	0.63	0.46	0.32
Other Expenses	2.86	2.47	1.83
<b>Total Expenses</b>	<b>8.56</b>	<b>6.25</b>	<b>4.59</b>
Profit/Loss Before Extra- Ordinary Items and Taxes	8.56	6.25	4.59
Extraordinary Items	0.00	0.00	0.00
Profit/Loss Before Tax	8.56	6.25	4.59
Tax Expenses	4.89	3.56	2.30
<b>Profit/Loss for The Period</b>	<b>3.67</b>	<b>2.69</b>	<b>2.29</b>

The Profit & Loss account of Bola Raghavendra Kamath & Sons cashew industry for the years 2020, 2021, and 2022. The profit and loss account provides a summary of the company's revenues, costs, and expenses during the specified period.

In terms of revenue, the company's revenue from operations has increased over the years, from 21.69 in 2020 to 26.67 in 2021, and further to 41.86 in 2022. However, after deducting excise/service tax, the net revenue from operations has increased from 17.34 in 2020 to 20.91 in 2021, and further to 25.56 in 2022.

In addition to revenue from operations, the company has also earned other income, which has increased from 0.92 in 2020 to 1.73 in 2021 and further to 2.04 in 2022.

Moving on to expenses, the company has incurred various expenses such as the cost of materials consumed, purchase of stock in trade, operating expenses, WIP and stock in trade, employee benefit expenses, finance cost, depreciation expenses, and other expenses. The total expenses have increased over the years, from 7.59 in 2020 to 10.25 in 2021 and further to 12.56 in 2022.

The profit/loss before extraordinary items and taxes has increased from 7.59 in 2020 to 10.25 in 2021 and further to 12.56 in 2022. However, after deducting tax expenses, the profit/loss for the period has increased from 5.29 in 2020 to 6.69 in 2021 and further to 7.67 in 2022.