

ORGANIZATION STUDY AT MAHESVARA CASHEW INDUSTRIES

Submitted by

PRIYANKA SHETTY USN: 4AL21BA061

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

INTERNAL GUIDE

Dr. Vishnu Prasanna KN

Professor

**PG Department of
Business Administration, AIET Mijar.**

EXTERNAL GUIDE

Mr. Gopinath Bhat

Managing partner

**MAHESVARA Cashew
Industries.**



PG DEPARTMENT OF BUSINESS ADMINISTRATION

ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY SHOBHAVANA

CAMPUS, MIJAR, MOODBIDRI.

March-2023

Date :

30/11/2022

TO WHOMSOEVER IT MAY CONCERN

This is to certify **that Ms. Priyanka Shetty** bearing **Reg No. 4AL21BA061** MBA student from Alva's Institute of Engineering and Technology, has done her 4-week organization study in "Mahesvara Cashew Industries" Commencing from 20/10/2022 TO 20/11/2022.

During the period of her assignment, we found her sincere and dedicated, she has shown steady growth in her work, and her character has been good.

We wish her all the best in her future endeavors.

Mahesvara Cashew Industries

For Mahesvara Cashew Industries

Partner



ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

(A Unit of Alva's Education Foundation @ Moodbidri)
Affiliated to Visvesvaraya Technological University, Belagavi
Approved by AICTE, New Delhi & Recognised by Government of Karnataka
Accredited by NBA (CSE & ECE)

DATE: 30/01/2023

CERTIFICATE

This is to certify that **PRIYANKA SHETTY** bearing USN **4AL21BA061**, is a bonafide student of Master of Business Administration program of the Institute (2021-23) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "**MAHESVARA CASHEW INDUSTRIES, KADUHOLE ROAD MUNIYAL**" is prepared by her under the guidance of **Dr. Vishnu Prasanna K N**, Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

Dr. Vishnu Prasanna K N
Internal Guide

Mrs. Priya Sequeira

DEAN
Dept. of Business Administration
Alva's Institute of Engg. & Technology
MIJAR - 574 225

Dr. Peter Fernandes

Principal
Alva's Institute of Engg. & Technology,
MIJAR, MOODBIDRI - 574 225, D.K.

Shobhavana Campus, Mijar, Moodbidri - 574225, Mangalore, Karnataka, India

☎ 08258-262724 (O), 262725 (P)

✉ principalaiet08@gmail.com

🌐 www.aiet.org.in

DECLARATION

I hereby declare that this Internship titled “**MAHESVARA CASHEW INDUSTRIES**” 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, ALVA’S 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

PRIYANKA SHETTY

(4AL21BA061)

ACKNOWLEDGEMENT

It was my privilege to undergo the organization study at “MAHESVARA CASHEW INDUSTRIES”. There are many people who have helped me to complete this study successfully. It is with the gratitude that I acknowledge the help, which guided my efforts with success.

It is my foremost duty to express my wholehearted thanks to my guide Dr. Vishnu Prasanna K N for the valuable guidance, support and motivation during the course of this study. The inspiration provided by my guide at every stage of my work has helped me immensely in completion of this organization study and preparation of this report. I am also very thankful to Alva's institute of engineering and technology and faculties of the MBA department for their co-operation.

My profound thanks to Mr Gopinath Bhat, who took interest in explaining concepts and imparting necessary inputs pertaining to the organization study, without which it would not have been possible for me to complete this work. I am also very thankful to other executives and staff of the company for their co-operation.

Place: Mijar

Date: 1/03/2023

PRIYANKA SHETTY

(4AL21BA061)

LIST OF TABLES

Chapter No.	Particulars	Page no.
1	Introduction about the Organisation & Industry.	1-5
2	Organization Profile <ul style="list-style-type: none">• Back ground• Nature of business• Vision mission, quality policy• Workflow model• Product/service profile• Ownership pattern• Achievements/awards• Future Growth and prospects	6-15
3	Mckensy's 7S framework and Porter's Five Force Model	16-24
4	SWOT Analysis	25-29
5	Analysis of financial statements	30-40
6	Learning experience.	41-43
7	Bibliography	44
8	Annexure	45-50

LIST OF FIGURES

SL. NO	PARTICULARS	PAGE NO
1	Profitability Ratio <ul style="list-style-type: none">• Gross Profit Ratio• Net Profit Ratio• Return on Assets	35-36
2	Liquidity Ratio <ul style="list-style-type: none">• Current Ratio• Quick Ratio	37-38
3	Leverage Ratio <ul style="list-style-type: none">• Debt to Assets Ratio• Debt to Equity Ratio	38-39
4	Activity Ratio <ul style="list-style-type: none">• Inventory Turnover Ratio• Assets Turnover Ratio	39-40

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 MAHESVARA CASHEW INDUSTRIES. 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.

**MAHESVARA CASHEW INDUSTRIES
(MCI)**

Chapter-1

**INTRODUCTION ABOUT THE
ORGANISATION AND INDUSTRY**

1.1 INTRODUCTION TO THE STUDY

1.1.1. Industry Profile

Portuguese soldiers in the latter half of the 16th century, as measure to check soil erosion, introduced cashew in west coast of India. Cashew which has been recognised as a delicious food for not less than 100 years, has acquired universal acceptance. In India Cashew tree was first introduced in Goa. From Goa cultivation of cashew spread over the west coast of India rapidly. India's food processing industry plays a crucial role in connecting Indian farmers with consumers in both home and foreign markets. 12.38% of the employment created in the entire Registered Factory sector, or roughly 1.93 million workers, is attributable to the food processing industry. The unregistered food processing sector supports employment for 5.1 million people.

Cashew is often regarded as 'poor man's crop and rich man's food' and it is an important cash crop and highly valued nut in the global market. The area under cashew cultivation is the highest in India. In reality, the Indian cashew industry has a high untapped potential to support the livelihood of cashew farmers, provide numerous employment opportunities and improve returns through global trade. The present work projects the need for important changes to be made in the existing system, so as to find a substantial improvement in the growth of the Indian cashew industry.

In India important cashew growing States are Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, Goa, Maharashtra and Orissa. Today, in India there are 1098 cashew processing factories with processing capacity of more than 12 lakh metric tons of raw cashew nuts.

Cashew industries provide employment to more than 3 lakh people, mostly in rural areas, on farms and factories and 95% workers in cashew processing plant are women from the lowest socioeconomic groups, mainly from the low income and minority region. 95% of women and 5% of men are working in the cashew industries. Maharashtra has the highest rate of productivity. India is the world's top cashew grower, responsible for 25.52% of the total production. Cashews are mostly grown in Asia, Africa, and Latin America. India is world's second largest exporter of cashew nut. The covid-19 has direct and negative impact on the global cashew market. The price of cashew nuts become low and Export volume of cashew are also decrease. The covid-19 pandemic also effects on the distribution channel. The value of extra activities has decreased due to a decrease in sales channels due to lack of cashew nut end-product on the market. Due to the lockdown West Africa producers have been unable to send raw cashew to India for processing. Cashew kernels were short in supply.

1.2.1 Industry Structure

India is one of the top cashew-processing nations in the world. The nation is the world's biggest cashew producer and processor. In India ,0.7 million acres are used for cashew production and the nation generates more than 0.4 million metric tonnes (MT) each year. Maharashtra, Andhra Pradesh, Orissa, Karnataka, Kerala, and Tamil Nadu are a few of the top cashew nut producing states in India. Immediately after harvest, raw cashews nuts are processed, which is fundamental to maintain their quality and properties. Farmers separate the drupe from the cashew apple to put them into sun-drying. These raw products are traded and then processed to obtain the cashew nut kernel.

1.2.3 Government policy affecting the industry

The Government of Karnataka has announced an Industrial Policy-2020-2025. The cashew Industry in Karnataka have members who export cashews to the extent of approximately Rs 500 crores a year. It is required to have an objective target to have an export growth of 20% per annum for the next 4 years. Karnataka government is hereby requested to make a sector specific policy component called Karnataka Cashew Sector Development Policy. The first part of the policy should be to address the growth of raw cashew nut production in Karnataka from an estimated 50000 metric tonnes to 400,000 metric tons by the year 2030. Karnataka is in the forefront in cashews, and it supports some of the best institutional arrangements in coastal Karnataka for cashew. Karnataka has developed unique hybrids at the Regional Research Centers at Ullal and Bhramavar in coastal Karnataka. The Directorate of Cashew Research is in Puttur Karnataka, which supports the research activity under ICAR all over India. Karnataka's Cashew industry has been a pioneer in organised cashew manufacture since 1926. Currently Karnataka is hosting about 225 cashew manufacturing plants, with an employment of over 40,000 labourers.

1.2.4 Growth opportunity

The international cashew market is encountering immediate development with the growth in demand from households, hotels, restaurants, bars, supplement manufacturers, and other businesses. And also, an increase in demand for healthy snacks, understanding among people toward healthy eating habits, lifestyle modification, several health advantages due to cashew consumption, and market for cashew nut milk for lactose intolerant people are the components that propel the development of the worldwide cashew market.

1.2.5 Market size and Trends

India is the major cashew growing country in the Asia- Pacific and it is the largest producer of raw cashew nut globally with 5.5 lakh metric tons per annum. In recent year, the cashew consumption pattern across India, primarily owing to flavoured assorted cashew products occupying an increased share in retail market space. In India cashew nuts are available in peninsular areas of Kerala, Karnataka, Goa and Maharashtra, Tamil Nadu, Andhra Pradesh, Orissa and West Bengal. Among these Kerala is the largest producing state. The production of in-shell raw cashew in India was 758,410 metric ton in 2019 and it is expected to register a CAGR of 2.1% during the forecast period of 2020-2025. The oil extracted from the shells is used as a lubricant in the production of plastics. With increasing health consciousness consumers are choosing to snack healthy, owing to which the demand for flavoured cashews is raising India. In India, cashew nuts are available as roasted, salted, flavoured, and coated with spices, honey, etc. Value-added products, like cashew powder, butter, and drink, are available in the market. However, the cashew market in the country is likely to be hampered as the local population prefers other lighter snacks, available at lower prices, for on-the-go snacking.

TRENDS:

Edible cashews have been used as a snack for many years in the country, and it has also been used as one of the main ingredients in sweets and cooking, especially in Asian cuisine. Cashews are also increasingly used as a constituent in muesli, energy bars, cookies, chocolate, and ice creams. Cashews are known to be high in nutrients, such as copper, which improve bone health in humans, as one ounce of cashew contains 622 micrograms of copper. Furthermore, cashews are relatively high in fiber compared with peanuts, which helps gain a healthy weight by improving digestive function. The nutritional benefits also extend to a high iron and magnesium content in cashews compared to peanuts, which enhance the enzymatic reactions in the body. Such high-value nutrition has prompted snack manufacturers in India to launch several cashew-based snacks to meet the demand, such as ready-to-drink cashew milk, which acts as a lactose-free milk substitute. Hence, due to the increasing consumption of various cashew-based snacks and ready-to-eat foods in the country, the India Cashew Market is anticipated to grow during the forecast period.

India has been the top exporter in the global shelled cashew trade, accounting for more than 15% of the global cashew export in the last four years. India exports cashew kernels to over 60 countries. Its major markets are the United States, the Netherlands, Japan, Spain, France,

Germany, the United Kingdom, as well as the Middle Eastern countries such as the United Arab Emirates and Saudi Arabia. With the increasing demand for cashew globally, exports are increasing from India. In Karnataka the industry has set a target of producing 1,50,000 metric tonnes from the present 40,000 MT's annually and the area under the cultivation is expected to be doubled to 1.20 lakh hectares.

CHAPTER-2

ORGANISATIONAL PROFILE

2. ORGANISATINAL PROFILE

The chapter describes about the reader about the background of the company, nature of the business, vision, mission, quality policy, product/service profile, ownership pattern, achievements/awards, if any, and future growth and prospects.

2.1 BACKGROUND OF THE COMPANY

MAHESVARA cashew Industries came into existence on 7th March 2011. Mahesvara cashew industries started by five partners namely Gopinath Bhat, Chiranjith Ajila, Uday Kumar Shetty, Arundathi, Namitha Shetty. Their shares are for Gopinath Bhat 33%, Chiranjith Ajila 20%, Uday Kumar Shetty 20%, Arundathi 14%, Namitha Shetty 13%. The industry is located in kaduhole Road, Muniyal Karkala tq. Customer centricity is at the core of Mahesvara cashew industries in karkalla, Udupi and its belief that has led the business to build long- term relationships. Ensuring a positive customer experience, making available goods and services that are of top- notch quality is given prime importance.

The firm has engaged in processing of raw cashew nuts. The firm sells the processed cashew nuts in Karnataka, Gujarat and Mumbai. The firm procures raw cashew nut from international market places like South Africa and Tanzania. Currently, day to day operations of the firm is managed by Mr. Gopinath Bhat (Managing Director). MCI has track record of 11 years. MCI is promoted by Mr. Gopinath Bhat (Managing Partner). All the partners have more than a decade of experience in manufacturing the food products like cashew and kernels and other related products. Mr. Gopinath Bhat is actively managing the day to day activities of the business and has 14 years of experience in the operations. Through the promoter's experience in this industry, the firm has gained established and healthy relationship with the suppliers and customers.

The firm was started with initial investment of 60lakh and their project was 1.48 crores and they take 98lakh as a bank loan. In 2011 their production capacity of 6 bags (of 75kgs of each) of raw cashew nut per day.

Today, their processing capacity has increased to 50-55 bags (75kgs each) of raw cashew nut per day. There are more than 100 employees in the industry and they are assigned to various sections. At the first they are producing 750kgs of final output out of 200kgs of raw cashews. After the installation of the machine their final output increased to 1400kgs out of 6000kgs of raw cashews. Utmost care is taken to maintain good hygienic condition at the production centre. They are the members of many organisations like "Federation of Indian

Export Organisation (FIEO), Cashew Export Promotion Council (CEPC), Agricultural and Processed Food Exports Development Authority (APEDA) and Karnataka cashew manufactures association (KCMA).

2.2 NATURE OF THE BUSINESS

The firm is engaged in processing the raw cashew nuts to plain cashew kernels apart from trading both raw cashew kernels and processed cashew kernels it also sells the cashew by-products such as cashew shell and peels. The firm imports the majority of its raw material from African countries (like Benin and Tanzania). The raw cashew nuts are processed at the firm's processing plant at Karkala (Udupi), which has capacity to process 31 Metric Tonnes (MT) of raw cashew nuts per day. Besides its own processing facility, it also outsources processing work to the other two group entities which have a capacity of 4 MT and 10MT respectively. It sells the processed kernels in both domestic and international markets. The main domestic markets are Delhi, Bangalore and Maharashtra, the exports are primarily made to the United States of America, United Arab Emirates (U.A.E.) and European countries.

2.3 VISION, MISSION, QUALITY POLICY

Vision

“To provide employment to the rural poor people especially women workers providing work at their door steps, thus improving their standard of living”

Mission

“Our mission is to provide high-quality cashew products to customers around the world while supporting sustainable practices and fair-trade principles. We strive to maintain strong partnerships with our suppliers and customers, continuously improve our operations, and positively impact the communities in which we operate.”

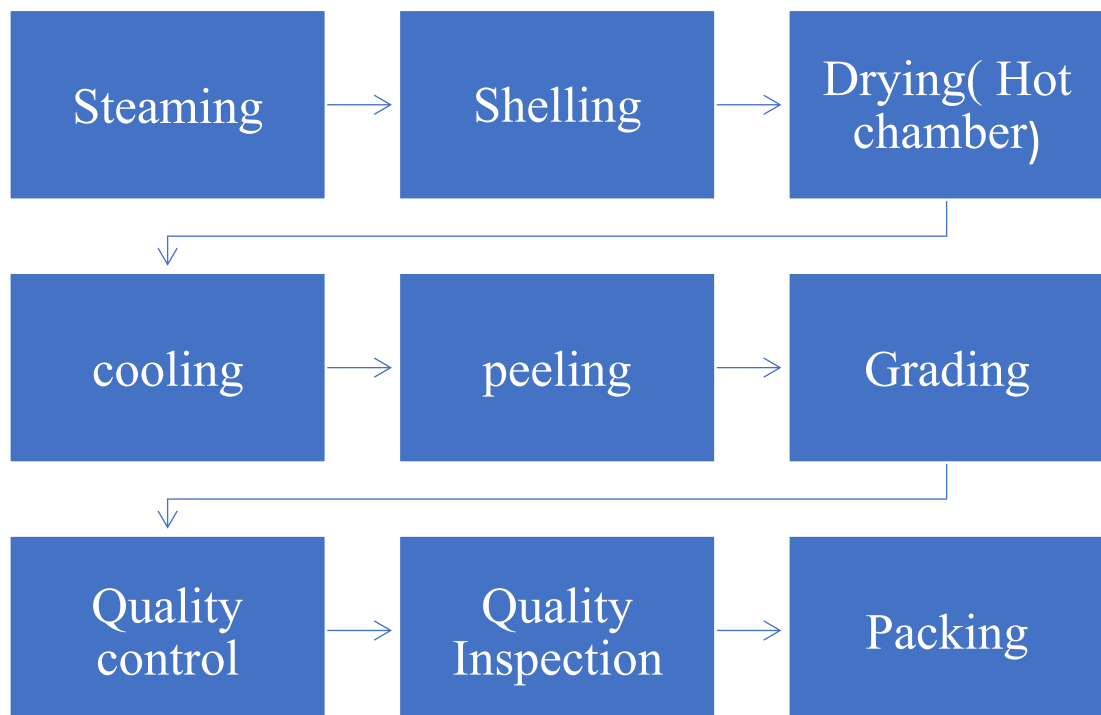
Quality Policy

The brand MAHESVARA cashew is known for its quality and customer satisfaction. To its core, the brand always stood in setting high quality standards, right from its inception. MAHESVARA cashew industries are **ISO** certified company. ISO 22000:2018 certification is one of the most important certifications for food industries. MAHESVARA cashew industries received the **Food safety management system** ISO 22000:2018 certificate.

FOOD SAFETY POLICY:

MAHESVARA CASHEW INDUSTRIES (MCI), are committed to maintain the highest quality standards of cashew kernels conforming with both statutory and regulatory requirement and with mutually agreed food safety requirement of our customer they are also committed to communicate, implement and maintain food safety policy and food safety issues in respect of cashew kernels at all levels and review to achieve continual improvement by setting measurable objective.

2.4 WORK FLOW MODEL



1. STEAMING

Cooker is used for the steaming raw cashew nuts. As the shell of the cashew nut is Leathery, it is necessary for the raw nuts to be steamed before the kernels can be extracted from them. During the process of steam Cashew kernels is extracted from the shell, which at the same time is made brittle and easier to break.

The steaming expands the shell, softens the nuts due to penetration of steam into the shell. After steaming, the nuts are air-cured by spreading out on the floor in the shade. These ultimately harden the shell and make it fit enough for de-shelling in the manually operated by Cut machine. The steam processing preserves the original colour of the cashew kernel inside the nut. The nut shells of the steam roasting process yield quality Cashew Nut Shell Liquid [C.N.S.L.]

2. SHELLING/ CUTTING

Purpose of shelling is to extract out of shell with minimum breakage. There are two methods of shelling. One is Manual shelling using cutting machines. Another one is mechanical Shelling. The hardened cashew nuts after steaming and cooling are cut by cutting machine into two halves. The blades of the machine are adjusted in such a manner that they do not cut the kernels inside. After cutting, the kernels would be still adhering on to one half of the broken shell and these broken shells are then scooped and taken out.

Each cashew shell is split open longitudinally and the cashew inside is immediately taken out by labour work. The steam cooked and air-cured cashew nuts are removed from the shell by labourer and leg operated cutters. Once two workers can work in the cutter one does the work of de-shelling the nut and another retrieves the kernels from the cut open shell.

The nuts are fed one by one manually between the two sets of blades to fit the contour of the fixed blade. The pressing of the pedal is used to split nuts on the convex side by means of two blades. The two blades are used to split the nut by operating the handle of the cutter. After de-shelling the nut falls freely due to gravity and is collected beneath the cutter. The operator's assistant works upon each deshelled nut and takes out the cashew kernel embedded inside the shell.

A pair of skilled workers normally de-shells about 80kg of cashew nuts in 8hrs, which yields approximately 20kg of cashew kernel. De-shelling in the mechanical cutter soils the hands of the operator, causing corrosion due to C.N.S.L. oozing out from the shells due to impact of blade. It is a general practice to rinse the hands

with suitable oil, mostly castor oil, to protect the hands from corrosive shell oil. Alternatively, suitable water soluble and washable protective chemical coating like “Kerodex” cream can be applied to the hands for the purpose. In some places workers use wood ash or white cement for the purpose.

3. BORMAH/ DYING

The skin on cashew is dried in an oven at low heat for a few hours to loosen the skin. Bormah machine is a hot chamber which is used to heat the shelled kernels to remove the moisture. The heating is done by using the steam generated by the boiler. Drying process is needed because the shelled kernels have a pink skin covering which has to be removed before the kernels are made edible. This skin attached to the kernels and can only be loosened after the kernels have been dried and moisture in the peel or husk is removed by contact with hot air. After the kernels are kept for several hours in a hot room or a drying chamber, they lose much of their moisture and shrink slightly. Thereafter the skin is removed with ease.

The Bormah consist of

- Two sets of heating coils which is used to heat the chamber.
- One set consists of 32 heating coils, so total 64 heating coils.
- A black solenoid valve to sense the heat inside the chamber and if it exceeds the required temperature a siren is alarmed.
- A control panel to set the required temperature.
- A digital display which helps in monitoring the temperature of bormah.
- 4 gates for the escape of heat after the bormah stopped.
- Steam lines, to supply steam from boiler to the heater coils.

HUMIDIFICATION

It increases the moisture of kernels to 3.5 to 4% to reduce breakages in subsequent processes. It controlled Environment with high Rh. This is achieved by using foggers/mist generator. Leaving overnight in closed room with high Rh. Kernels are left overnight in a room fitted with ceiling fan and water sump on the floor which helps in increasing the humidity of the room.

Mahesvara cashew industries has one cooling room of cashew nuts. Capacity is 16 trolleys in 1 time cooling process is conducted by after BORMAH. It helps to remove the peel of cashew nuts. It reduces the moisture of the nuts. Approximately 24 hours depending on origin nuts.

4. SIZING AND COOLING:

Raw Nut Calibrator is used to clean and sort raw cashew nuts based on 5 different sizes. Sizing is needed for efficient shelling and further processes. Mechanical shelling requires sizing to maximum efficiency of the set up. Raw Cashew Nuts are fed into a feeding hopper which is a temporary storage of raw cashew nuts, keeping a buffer to feed the machine as per the requirement. It feeds the nuts into the bucket elevator automatically. An automatically inclined bucket elevator is provided for easy transportation of nuts to the drums. It is fabricated to conform to the international food grade equipment standards. Calibration and Cleaning of nuts further takes place in the cylindrical drums.

5. MACHINE PEELING

The skin of each cashew is removed by hand and the cashews are simultaneously visually graded according to quality.

The peeled kernels are manually graded in natural light by skilled labour. The cashew kernels are graded on the basis of shape, size, and colour. International specification and standard for grading are widely followed in the industry.

Normally a skilled labourer can grade anywhere between 20 to 25kgs of cashew kernel per day depending upon the grader's skill and size of the kernel being graded. For grading broken into LWP, SWP, and BB graded mechanized wire-mesh sieves are used: Objective: To remove the taste from the kernels with minimum piece generation Methods: Process Output: □ Manual Peeling: Industry standard 3 lab / bag □ Mechanical □ Peeling: □ Pieces o Rocket and Air peeler combination of Air Peelers (Garlic Peelers) Mechanical Peeling Typically give 50% peeled kernels, 27% Unpeeled Kernels ,15% pieces and 8% testa.

6. GRADING

Main objective of grading is to grade the kernels as per standards. The whole cashew kernels are individually graded by hand according to count per pound. There are four color grades, four styles of grades on the kernel and six sizes. Now a days grading machines are used for grading

CONDITIONING OF GRADED CASHEW KERNEL:

Maximum 5% of the moisture permitted in the graded cashews kernel by weight of the port of importation. During the time of packing above 4% of moisture is not permissible as it causes fungi and infestation, low moisture level below 2% is undesirable as it causes breakage of kernel during processing and shipment.

Processors by and large control the final moisture of 3%.

7. QUALITY CONTROL

The cashews of each grade are inspected according to the present quality standards for the grade. Quality checking helps to know the qualities of different graded cashew nuts. The cashew kernels are then put through a set of quality assurance measures like heating in an oven, metal detection, dust aspiration and hand-picking conveyor. MAHESVARA CASHEW INDUSTRIES always in the pursuit of perfection in quality and hygiene.,

8. PACKING:

Packing is the last process of the production of the cashew kernels. Cashew kernels in bulk are packed in tin of net weight of 10 kg. The filled tins are vacuumised and filled with carbon oxide gas and sealed by lead and tin mixture paste and labeled by the company name (MAHESVARA CASHEW) and grade name

2.5 PRODUCT OR SERVICE PROFILE

Product: Mahesvara Cashew Industries is a company that specializes in the production and export of cashew nuts. Their product profile may include various grades and sizes of cashew nuts, such as:

- | | |
|-------------------------|---------------------------------|
| 1. White Wholes150 (WW) | 12. Scorched Whole Second (SWS) |
| 2. White Whole180 | 13. Desert Whole (DW) |
| 3. White Whole210 | 14. Butts (B) |
| 4. White Whole240 | 15. Small White Pieces (SWP) |
| 5. White Whole 300 | 16. Baby Bits (BB) |
| 6. White Whole 320 | 17. Large White Pieces (LWP) |
| 7. White Whole 400 | 18. Scorched Butts (SB) |
| 8. Scorched Whole (SW) | 19. Scorched Splits (SS) |
| 9. Scorched Whole 180 | 20. Scorched Pieces (SP) |

10. Scorched Whole 210

11. Scorched Whole 240

21. Scorched Small Pieces (SSP)

22. Scorched Pieces Second (SPS)

23. Desert Pieces (DP)

Mahesvara cashew industries have a variety of retail cashew products of white wholes and pieces of 250gms, 100gms.

Service Profile

Mahesvara cashew industries trading their goods to commission agent and supplying transport logistics. Mahesvara cashew industries supplying the goods to the different Companies like VRL, Vikrant transport, Sri logistics, Ridhi sidhi transports and Vishal transports these transports delivering the products to customers and also provide door step delivery and finally they take feedback from customers.

2.6 OWNERSHIP PATTERN

Mahesvara cashew industries is a partnership firm the partners are Gopinath Bhat, Chiranjith Ajila, Uday Kumar Shetty, Arundathi, Namitha Shetty.

Managing partner:

In this firm Gopinath Bhat, Chiranjith ajila, Uday Kumar Shetty they are the managing partners. More than being managing the overall organisation, these 3 partners are the true leader and exceptional motivators. Simple living and high thinking is totally they are nice persons and treating all the employees equally.

Normal Partner:

Arundati, and Namitha shetty are the normal partners who are not actively take part in the organisation.

2.7 AWARDS AND ACHIEVMENTS

1. Import and Export Certificate
2. Iso certified company Certificate
3. Pollution Board Certificate

2.8 FUTURE GROWTH AND PROSPECTUS:

The future growth of Mahesvara cashew industries is improving the business turnover and production capacity twice to the present capacity. Workers should be given better facilities and firm should encourage workers and educate them for better work. Some other future growth and prospectus are:

- 1.Expansion of business
- 2.Exporting to foreign Country
- 3.The industry will focus more on technological innovation
- 4.The company will continue to give quality product and services to its customers.
- 5.Create more employment opportunities to rural people.

CHAPTER-3

MCKINSEY'S 7s FRAME WORK AND

PORTERS FIVE FORCE MODEL

McKinsey 7s Framework:

The McKinsey 7s Framework is a management model developed by well-known business consultant Robert H. Waterman and Tom Peters in the 1980's. This was a strategic vision for groups to include business, business units and teams. They published their 7's model in article "structure is not organisation" 'the art of Japanese Management' and 'in search of excellence'.

McKinsey 7s model can be termed as an internal assessment tool for business organisations. It determines the organisational effectiveness by examining the alignment of the seven essential elements (i.e., hard elements- systems, strategy, Structure: and soft elements- Share values, staff, style, skills) with the core values of the entity.

The McKinsey 7s model can be applied to elements of a team or project as well. It involves seven interdependent factors that are classified as "hard" and "soft" elements. Hard elements are easily identified and influenced by corporate culture. On the other hand, soft areas, although harder to manage. The foundation of the organisation and are more likely to create the sustained.

Hard Elements

1. Strategy:

Strategy refers to well-curated business plan that allows the company to formulate a plan of action to achieve competitive advantages, reinforced by the company mission and values. Every company form different strategies to survive long in market. Similarly, Mahesvara cashew industry has its own strategies they are as follows:

- Corporate strategy: These are the strategy which helps the industry to stand in the market for long period of time. The Mahesvara cashew industry maintains good relationship with the suppliers and distributors to gain the long-term business. They made the local grocery shops as their key customers to increase the sales and revenues. To expand the business and diversify the business the industry they build good relationship with local farmers, distribution channels, small grocery shops and Final customers also. Instead of building competition in market Mahesvara industry tries to maintain good relationship with competitive industries.

- Business strategy: A business strategy refers to all the decision taken and actions undertaken by a business for achieving larger vision. Mahesvara industries business strategy focuses more on competitive advantage. They gain advantage over their competitor by improving the quality and quantity of cashew and by using well qualified workers and advance machines. They produce the nuts by using latest machines and technologies which also helps in reducing the expenses of the company.
- Functional strategy: It is the approach a business functional takes to achieve corporate and business unit objectives and strategies by maximizing resource productivity. Mahesvara cashew industry uses this strategy for the improvement of quality of cashew with minimizing the cost for this purpose they maintain financial, production, marketing and human resource strategy

The industry tries to minimize per unit cost by effective utilization of raw materials and human resources of the company. The company also tries to retain their employees for long period of time by providing various skills and trainings with financial benefits and also increases job opportunities on rural area. The industry focuses more on their market positions so they use effective distribution channels to reach large scale customers and increase their exports.

2. System:

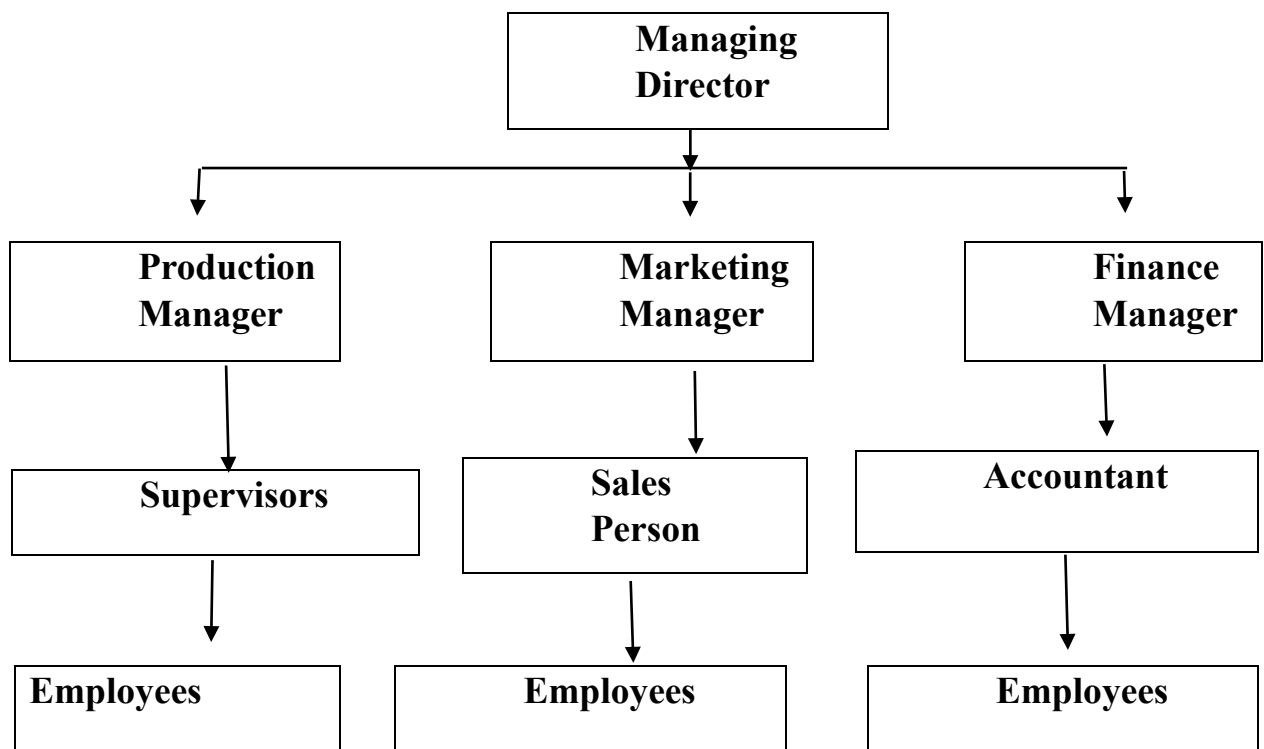
System is the business and technical infrastructure of the company that establish workflows and the chain of decision making. System helps the workers to accomplishment of day-to-day activities. Mahesvara cashew industry follows the below system to complete daily operations:

- Procurement and waste elimination system: the company purchases raw material various places like within states and from other part of nations so they try to maintain good relationship with suppliers so they can get inputs at proper time with less damages. Before receiving RCN from container supervisor will check the seal and documents. Shell is used in making oil and chemical and husk are used in pan masala and Gutka
- Selling system: Mahesvara cashew industry sells cashew to within the boundaries and outside the boundaries like Nepal, Japan Vietnam etc. So, the factory maintains good sales team and marketing team for increase the sales.
- Management system: The Management of Mahesvara cashew factory is more democratic. People may in interact with higher authority members to discuss the

issue. Company is providing excellent facility for the workers. If workers face any problem in Mahesvara Industry solve the problem immediately and they compensate workers if they injured and they also provided van facility to workers. They also adopted the system of PF and ESI for workers welfare.

- Empowerment: it is observed that the company follows centralized decision-making process but in certain time employees are given power to speedup decision making process to meet the changing needs of customers.
- Performance appraisal: Mahesvara cashew Industries follows 180 degree of performance appraisal. Where all the partners will interact with each and every employee and matches with their objective and organisation objective and also evaluate the overall performance factory and each department of the factory.

3. Structure:



Structure indicates how your company is organized. That is, how departments and teams are structured, including who reports to whom. Structure shows how organizations are divided into different department and also shows how tasks are divided and integrated. The basic organization structure of the company departments, reporting lines, area of expertise and responsibility. The entire workforce models towards achieving the organization's vision and mission.

MAHESVARA cashew industry controlled and managed by their key partners all the major decisions are taken by the partners and then informed to the various departments of the factory. The key partners are the managing directors of the firm and in next step the decisions taken by board is informed to each department of the firm. There are various departments like production, marketing and finance in the factory. Each department has its own managers and smooth functioning of these departments is responsibility of respective managers of the departments. The managers are free to take small decisions regarding work place and they are fully accountable for the decisions. Each department has supervisors like sales person, production supervisor and accountant who are in the place of assigning and guiding the workers and solve the confusions and conflicts at work place. Under each supervisor there is set of workers or employees.

Soft Elements

4. Shared Values:

Shared values are commonly held beliefs, mind sets, and assumptions that shape how an organisation behaves its corporate culture. Shared values are what engender trust. These are the core values of the organisation, as shown in its corporate culture and general work ethic. They were called 'Super ordinate Goals' when the model first developed. MAHESVARA CASHEW INDUSTRIES are ethical towards the corporate and also the societal ways. The industry shares following values with their products.

- Honest
- Integrity
- Commitment
- Empathy
- Team work
- Innovation
- Respect
- Punctuality
- Quality and taste
- Love and care

The customers are treated with friendly manner and try to provide all the values with their products so they can maintain good relationship with the customers. They also share these values with workers so they can maintain good work culture in factory and good working environment.

5. Staff:

This element includes employees of the company and their general capabilities.

Staffs are very important part in the management. “Staff” refers to the way of organisation introduce young recruits into main of their activities. Staffs means human resource system which includes appraisal, training, wages, intangibles such as employee motivation, moral and attitude.

Mahesvara cashew industry created employment opportunity in local areas by providing job to rural peoples. Number of employees working is only 104 employees working in the organisation. Other than that, several rural woman’s work for segregation of cashews.

Duties and Responsibilities of Staff:

- Maintenance of machines
- To achieve maximum product for meeting the target during shift hours
- Do the work properly
- Follow the rules and regulations.
- Assist management in taking decision

6. Skills:

Skill means overall organisation capabilities and competencies. Skills are the capabilities of the staff within the organisation as whole. Skill is the employee capacity to carry on the business in the organisation to achieve the company’s goal. Training and Development helps the people to do their job effectively and efficiently

The Mahesvara industry provides both the on the job and off the job training to their customers.

- On the job training: the new appointed staffs are provided with one job training with guide so they can improve their skills and knowledge to improve the productions.
- Off the job training: when some special machines and equipment are used the firm provides full knowledge about machine for 1 to 2 months after that the employees will allow to work with that special equipment.

7. Style:

Style refers to the way the company is managed by top level managers, how they interact, and what actions do they take and their symbolic value. The company follows Democratic (participative) leadership style. In this style top executives allow bottom level managers and employees to take active participation in decision making process. The

partners of the company allow production manager, sales manager and other department heads to participate in decision making of the company. The top and middle level authorities are together discussing and take major decisions of the company. **Team v/s Group**

The firm believes that team work is always better than gathering people for completion of work. They like to work with people who are always motivated and think the same way how organisation thinks and believe that organisation growth is ultimate goal and it is the only way for their Personal growth. So, the company give more importance to team rather than group.

PORTERS FIVE FORCE MODEL

The Mahesvara cashew company provides very unique services to its customers. It supplies the high-quality cashew product with a high level of convenience and efficiency that cannot be provided by any other or substitutes. Mahesvara cashew industries pride themselves on the way treat their customers during delivering products. The geographical scope of MAHESVARA cashew industries is at global level.

The five-force model is one way to answer the first basic question in strategic management. This model shows the five force that shape industry competition: Threats of new entrants, bargaining power of buyers, Threats of substitutes, Bargaining power of suppliers, and competitors. In order to analyse the Mahesvara cashew industry we have look at each of these forces.

1. THREATS OF NEW ENTRANTS: - HIGH

The manufacturing sector has limited obligation in entry and exits of the market so the new competitors can easily enter the market therefore the threats of new entry is high in cashew industry. The Mahesvara cashew industry faces these kinds of challenges by adopting innovative technology and efficient skilled man power in industry. To start cashew factory, people require huge capitals in these firm they have good numbers of partner to maintain required rate of capital.

How can MAHESVARA, can tackle the Threat of New Entrants:

- By innovating new method of production.
- By building economies of scale so that it can lower the fixed cost per unit.

2. BARGAINING POWER OF BUYERS: - HIGH

The firm has two types of customers one who purchase in bulk directly another type of customers are small local shops. There are many cashews industry in the market so the bargaining power of buyer is high. So, knowing the truth Mahesvara cashew industry made certain strategy to tackle these problems.

- By building a large base of customers.
- By rapidly innovating new products.
- New products will also reduce the defection of existing customer of MAHESVARA to its competitors.

3. THREAT OF SUBSTITUTE: - HIGH

There are many substitutes available for cashew nuts and cashew products like pine nuts, almonds, walnuts and other dry fruits so the threat of substitute is high in the market.

Mahesvara industry tries to tackle this substitute problem by following steps:

- By being service oriented rather than just product oriented.
- By understanding customer value and their core need.
- By increasing the switching cost for the customers.

4. BARGAINING POWER OF SUPPLIERS: - LOW

The company has large number of suppliers in market so the bargaining power of suppliers is comparatively less in the market. Mahesvara industry maintain good relationship with the creditors so they can get the raw materials on times. To gain advantage in bargaining power with suppliers the firm follows following techniques:

- By building efficient supply chain with multiple suppliers.
- By having a good contact with different supplier. So that if one supplier increase price than company can shift to another supplier.
- Contract with local cashew nut grown framers.

5. RIVALRY AMONG EXISTING PLAYERS: - HIGH

The last area of the five force is the rivalry among existing players. The rivalry in the cashew industry is more for many reasons. So, the industry has a greater number of players. There are a greater number of competitors of MAHESVARA cashew industry. The following ate the existing competitors for this industry

□ Gururaj industry, □ Bola

Surendra Kamath, □

Kamakshi Exports etc.

To tackle the competitor and gain competitive advantage in the market the firm follows following methods

- By building a sustainable differentiation.
- By building scale so that it can complete better.
- Collaborating with competitors.

CHAPTER-4

SWOT ANALYSIS

SWOT ANALYSIS OF MAHESVARA CASHEW:

SWOT Analysis is a simple but useful framework for analysing your organisation's strength, weaknesses, opportunities, and Threats. It helps you to build what you do well, to address what you're lacking, to minimize risks, and to take the greatest possible advantage of chances for success.

With SWOT analysis, you can evaluate the strength, weakness, opportunities and threats identified in a cashew industry. The technique is based on the Stanford university study from 1960's which analysed data from 500 companies. Many employees didn't even know why they, what they were doing. SWOT was developed from this study in order to give clear understanding of the company. Strength and Weakness are the internal to the business and Opportunities and Threats are external to the business.

A SWOT Analysis is designed to facilitate a realistic, fact-based, data-driven look at the strength and weaknesses of an organisation, its initiatives, or an industry. The organisation needs to keep the analysis accurate by avoiding pre-conceived belief or gray areas and instead focusing on real-life contexts. Companies should use it as a guide and not necessarily as a prescription.

✚ STRENGTH

○ Convenient location of the Factory.

The factory situated near to national highways which is beneficial to factory for their Export and Import and also factory location is very much convenient for their suppliers and their workers. This will help in reduce the transportation cost and location of the industry helps to reach the large scale of customers and local small shops.

○ Good and dedicated employee strength:

The Mahesvara cashew industry consists of 104 employees in the industry. All employees have different knowledge and skills. Based on a good and dedicated employee workforce can increase the efficiency of their industry and also, they have a better time management skill and even also employees who have good knowledge and experience of industry can improve the productivity and try to reduce the wastage and also, they try to maintain the high quality of standards throughout the production process and even also employees will give an innovative idea to their industry which will help the industry to stay competitive.

- **The firm maintains good Quality of product:**

Mahesvara cashew industries can differentiate itself from their competitors and build a positive reputation among its customers. This can help the industry to increase their customer loyalty as well as positive word of mouth recommendations that can help to attract the new customers. Another benefit of Mahesvara cashew industry is reduce the costs associated with product defects which can improve their industry brand.

- **Good Infrastructure Facilities:**

With good infrastructure facilities, the Mahesvara Cashew Industry can better manage the production process, from sourcing raw materials to packaging and distribution. This can help to ensure consistent quality and timely delivery of products to customers. In addition, a good infrastructure facility can provide a safe and healthy work environment for employees, which can improve productivity and employee satisfaction.

- **Strong Distribution Network:**

A Strong Distribution Network can help the Mahesvara cashew industry to deliver their products efficiently it will lead to higher customer satisfaction and by reaching more customers, the industry can increase its sales volume. Which can lead to higher revenues and profits. By having a well-planned distribution network, the industry can ensure that its products are delivered to the right locations at right time, reducing inventory holding costs and minimizing wastage.

‡ **WEAKNESSES**

- **Dependence on weather and climate conditions:**

The growth and quality of cashews depend on various environmental factors, including rainfall, temperature, and humidity. Cashew businesses are therefore susceptible to changes in weather patterns, which can impact the quantity and quality of their crops.

- **Fluctuating market prices:**

Cashew prices can be volatile due to changes in supply and demand, which can be influenced by factors such as global economic conditions and changes in consumer preferences.

- **Competition:**

The cashew industry is highly competitive, with many producers and processors competing for market share. Competitors may have more efficient production processes or better marketing strategies, which can impact the success of Mahesvara cashew industry.

- **Quality control issues:**

Maintaining consistent quality can be a challenge for cashew businesses, especially if they source their raw material from different regions. Failure to meet quality standards can result in product recalls. Loss of customer trust and reputational damage.

✚ **OPPORTUNITIES**

- **Increase the Standard of living:**

This firm provides benefits such as health insurance and paid time off and work environment is safe and healthy and providing training and development opportunities can help employees to improve their skills and advance in their careers, which can lead to higher wages and better standard of living.

- **Easy availability of workers from local area:**

Most of the rural workers who are working in Mahesvara cashew factories. 98% of the workers are located in local areas it will help the firms to save the house allowance benefits and also local workers are very experts in understanding the needs and wants of the local customers. It also creates job opportunities in rural areas and firm also get human resources on time to fill the job roles.

- **Employment opportunities for rural women:**

Mahesvara cashew industry created hundreds of job opportunity in rural areas especially for rural women. many of the local women do the work of peeling of cashew and segregation of cashews which helps them in their daily earnings and empowerment of rural women's.

- **Increase the production per day:**

As the company included in export and import of cashews it requires efficient production every day. The company should be more focused about the increasing

daily production by improvising their production process, allocation of resources and efficient and skilled human resources.

○ **New trend in food industry:**

As compare to the traditional days now the cashew is widely used in ice creams chocolates sweets smoothies and also for other food items. As compare to olden days cashew is consumed in different ways so the cashew industry can set trend in the food industry by producing different cashew products.

‡ **THREATS**

○ **Instability in foreign currency:**

As India involved in export and import of cashews all over world it requires huge foreign currency for their transaction. So, the instability of Indian rupee in world market and increase in dollar rate will affects the Mahesvara trade system.

○ **Competitors:**

It is well known fact that food manufacturing industry has high level competition especially in the area of cashew so the firm has to build unique strategy to gain the competitive advantage and to stay a head from the rival factories.

○ **Price competition:**

Price competition is one of the threats where company suffer. As there is huge competition in market the pricing strategy of all the firm is same. So, it is difficult to set price according to company standard.

○ **Labour union:**

The company involves major of rural area workers. In case of any conflict or dispute between top management and workers the firm has to obey the labour unions conditions so the controlling power of firm is very less.

○ **Handling of workers:**

Maintenance of friendly and co-operating environment in working place is very necessary for this purpose handling of workers at work place is big challenge for the company. If there is no effective management of workers it leads to misunderstanding at work place. So, the handling of workers is big threat for the firm.

CHAPTER -5

ANALYSIS OF FINANCIAL STATEMENT

ANALYSIS OF FINANCIAL STATEMENT

Financial statement of the firm that is Balance sheet and profit and loss account are explained in this chapter.

BALANCE SHEET

A balance sheet is a financial statement that reports a company's assets, liabilities and shareholder's equity at a specific point in time and provides a basis for computing rates of return and evaluating its capital structure. It is a financial statement that provides a snapshot of what a company owns and owes, as well as the amount invested by shareholders.

BALANCE SHEET OF MAHESVARA CASHEW INDUSTRIES (in Rs. lakhs)			
Particulars	2022	2021	2020
EQUITIES AND LIABILITIES			
SHAREHOLDER'S FUND			
Partners share capital	1.64	1.61	1.45
TOTAL SHARE CAPITAL	1.64	1.61	1.45
Reserves and surplus	76.34	64.51	51.59
TOTAL RESERVES AND SURPLUS	76.34	64.51	51.59
TOTAL SHAREHOLDERS FUNDS	77.98	66.12	53.04
NON-CURRENT LIABILITIES	43.49	46.85	65.07
Long-term borrowings	10.82	10.06	6.22
Deferred tax liabilities (net)	30.00	31.00	32.00
Other long-term liabilities	1.43	1.85	1.29
Long-term provisions			

TOTAL NON-CURRENT LIABILITIES	85.74	89.76	104.58
CURRENT LIABILITIES			
Short-term borrowings	111.68	94.81	99.66
Trade payables	61.06	67.15	27.01
Other current liabilities	10.52	16.53	21.15
Short-term provisions	7.03	1.98	2.17
TOTAL CURRENT LIABILITIES	190.29	180.47	149.99
TOTAL CAPITAL AND LIABILITIES	354.02	336.34	307.62
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	80.10	75.41	104.01
Capital work-in progress	-	0.69	1.48
FIXED ASSETS	80.10	76.10	105.49
Non-current investments	8.91	7.52	2.02
Long-term loans and advances	5.05	11.0	10.4
Other non-current assets	2.02	4	2
		-	-
TOTAL NON-CURRENT ASSETS	96.08	94.66	117.93

CURRENTS ASSETS			
Current investments	33.02	31.01	2.01
Inventories	65.44	61.9	67.14
Trade receivables	66.92	59.8	45.73
Cash and cash equivalents	11.86	9.43	8.80
Short-term loans and advances	2.80	13.57	13.03
Other current assets	77.70	67.39	52.97
TOTAL CURRENTS ASSETS			
	257.74	242.69	189.69
TOTAL ASSETS			
	354.02	336.34	307.62

5.2 PROFIT & LOSS A/C

The profit and loss statement is a financial statement that summarizes the revenues, costs and expenses incurred during a specified period, usually a fiscal quarter or year. The P&L statement is synonymous with the income statement. These records provide information about a company's ability or inability to generate profit by increasing revenue, reducing costs or both.

TABLE 5.2: Profit and Loss Account.

PROFIT & LOSS ACCOUNT OF MAHESVARA CASHEW INDUSTRIES (in Rs. LAKHS)			
Particulars	2022	2021	2020

INCOME			
REVENUE FROM OPERATIONS(GROSS)	318.37	332.61	328.78
LESS: Excise/Service tax/Other Levies		7.34	5.93
REVENUE FROM OPERATIONS (NET)	318.37	337.12	335.49
TOTAL OPERATING REVENUES	318.37	337.12	335.49
Other income	6.83	20.50	3.79
TOTAL REVENUE	325.20	357.62	339.28
EXPENSES			

Cost of materials consumed	197.35	209.82	238.84
Operating and direct expenses	5.41	17.29	13.31
Changes in inventories of FG, WIP and stock-in trade	0.91	3.96	31.12
Employee benefit expenses	16.8	18.47	16.44
Finance cost	17.4	22.70	19.70
Depreciation and Amortisation expenses	9.59	9.17	8.01
Other expenses	71.85	63.29	68.61
TOTAL EXPENSES	317.71	344.70	333.80
PROFIT/LOSS BEFORE EXCEPTIONAL EXTRAORDINARY ITEMS AND TAX	7.49	12.92	5.48
Exceptional items			
PROFIT/LOSS BEFORE TAX	7.49	12.92	5.48

TAX EXPENSES- CONTINUED OPERATIONS	1.21	2.75	1.51
Current tax	-	0.38	-
LESS: MAT credit entitlement	-	2.84	0.50
Deferred tax		0.22	3.30
Tax for earlier years			
TOTAL TAX EXPENSES	1.21	5.43	4.86
PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS	6.29	7.49	0.61

5.3 Ratio Analysis:

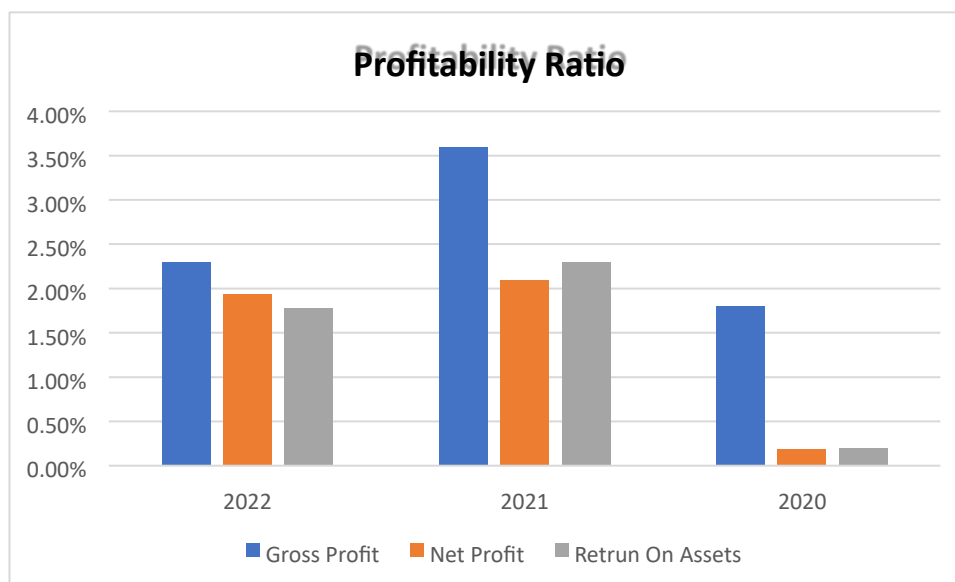
Ratio analysis is referred to as the study or analysis of the line items present in the financial statements of the company. It can be used to check various factors of a business such as profitability, liquidity, solvency and efficiency of the company or the business.

The analysis/examination of financial statements with the help of Ratio's is called as Ratio analysis. This analysis tool is widely used tool for financial analysis of the data. This analysis provides overall information about financial stability of the company.

RATIOS		31/03/2022	31/03/2021	31/03/2020
Profitability Ratio	Gross profit ratio	2.3%	3.6%	1.8%
	Net profit ratio	1.93%	2.09%	0.18%
	Return on Assets (ROA)	1.78%	2.3%	0.20%
Liquidity ratio	Current ratio	1.23	0.72	1.33
	Quick ratio	1.01	1.00	0.82
Leverage ratio	Debt to asset ratio	0.12	0.14	0.21
	Debt to equity ratio	0.56	0.71	1.23
Activity Ratio	Inventory Turnover Ratio	4.97 times	5.78 times	5.05 times

	Asset Turnover Ratio	0.92 times	1.06 times	1.10 times
--	----------------------	------------	------------	------------

Profitability Ratio:



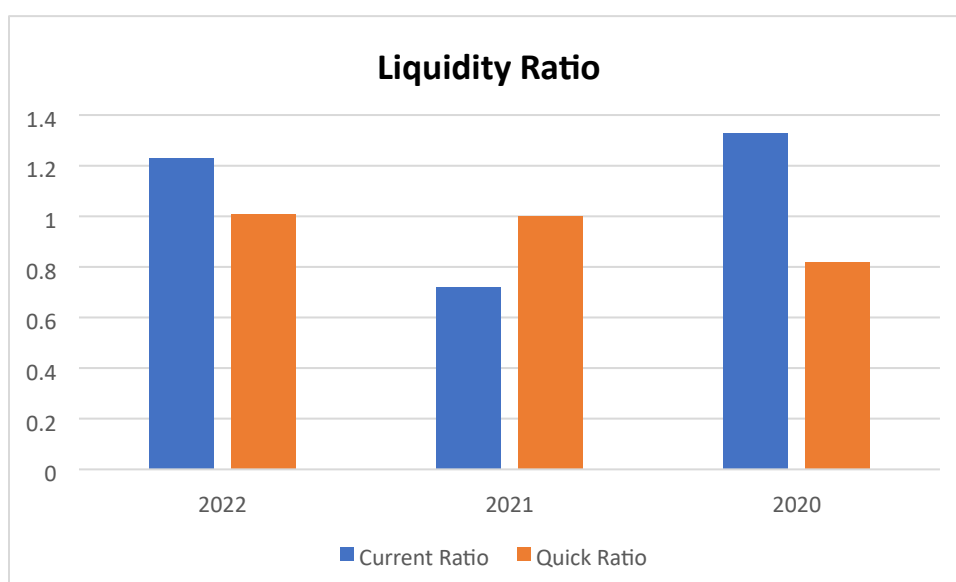
Gross Profit Ratio: This ratio measures the gross profit earned by the company as a percentage of its revenue. In 2022, the gross profit was 2.3. This means that the company earned 2.3 units of currency for each unit of sales after deducting the cost of goods sold. Comparing this to the previous year, in 2021, the gross profit was 3.6, which indicates that the company was able to generate more profit per unit of sales in 2021 compared to 2022. In 2020, the gross profit was 1.67, which was lower than both 2021 and 2022. This suggests that the company's profitability improved from 2020 to 2021 but then declined in 2022.

Net Profit Ratio: This ratio measures the net profit earned by the company as a percentage of its revenue. In 2022, the net profit ratio was 1.93, which means that for every unit of sales generated, the company earned 1.93 units of profit. Compared to the previous year, in 2021, the net profit ratio was 2.09, indicating that the company was more profitable in 2021 than in 2022. In 2020, the net profit ratio was significantly lower, at 0.18, which suggests that the company's profitability improved significantly from 2020 to 2021 and then declined slightly in 2022.

Return On Assets: Interpreting the given data, Mahesvara Cashew Industries had an ROA of 1.78 in 2022, which means the company generated 1.78 in profit for every rupee of assets

it owns. Comparing this to the previous year, the company had an ROA of 2.3 in 2021, indicating that the company was more efficient in using its assets to generate profit in 2021 than in 2022. Furthermore, in 2020, the company had an ROA of 0.20, which suggests that the company was not very efficient in generating profit from its assets that year. It's important to note that while a high ROA is generally considered a positive indicator of a company's financial health, a low ROA does not necessarily mean a company is not profitable. It may indicate that the company is using other financial strategies, such as debt financing, to generate income.

Liquidity Ratio:

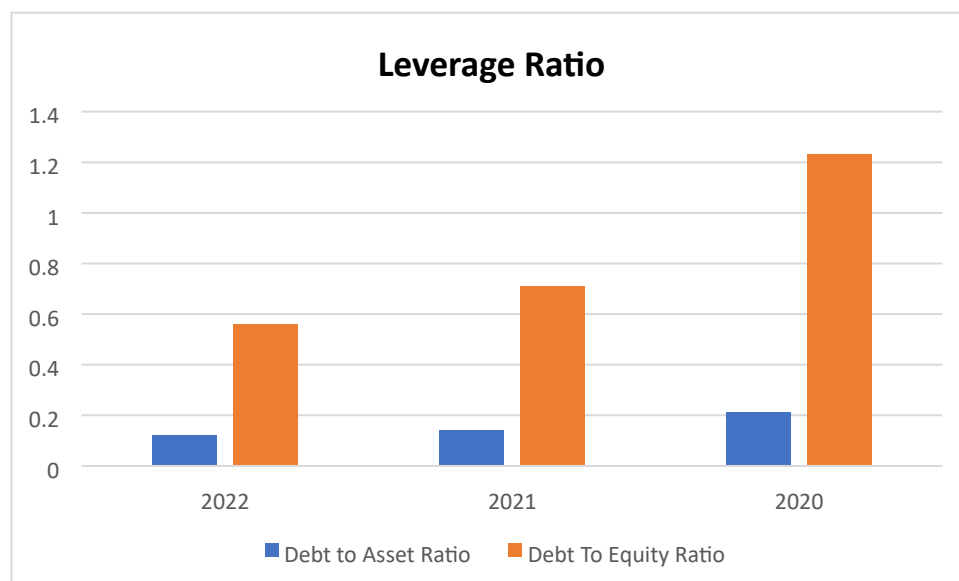


Current Ratio: A current ratio of 1 or higher generally indicates that a company has enough current assets to cover its current liabilities. Therefore, a current ratio of 1.23 for Mahesvara Cashew Industry in 2022 means that the company had 1.23 times more current assets than current liabilities during that year. This indicates that the company has improved its liquidity

position compared to the previous year. The decrease in the current ratio from 2020 to 2021 may indicate a decrease in the company's liquidity position, which means that it had fewer current assets to cover its short-term obligations during 2021. However, the increase in the current ratio from 2021 to 2022 suggests that the company has taken steps to improve its liquidity position.

Quick Ratio: The quick ratio is a financial ratio that measures a company's ability to meet its short-term obligations with its most liquid assets. It's calculated by subtracting the value of a company's inventory from its current assets and dividing the result by its current liabilities. Looking at the quick ratio of Mahesvara Cashew Industry for the years 2022, 2021, and 2020, we see that the company's ability to meet its short-term obligations with its most liquid assets has slightly improved over the years. In 2022, the quick ratio is 1.01, which means that the company has 1.01 of liquid assets available for every 1 of current liabilities. This is slightly better than the previous year's ratio of 1.00, which means that the company has been able to increase its liquidity. In 2020, the quick ratio was 0.82, which suggests that the company's liquidity was lower in that year. However, it's important to note that the quick ratio should be interpreted in the context of the company's industry and the economic conditions it operates in.

Leverage Ratio:

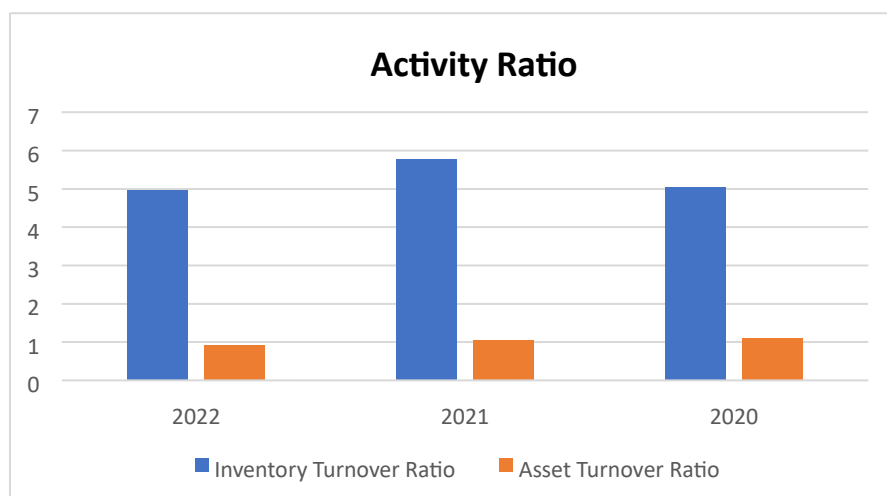


Debt to Asset Ratio: The debt to asset ratio is a financial metric that indicates the proportion of a company's assets that are financed through debt. A lower ratio indicates that the company

relies less on debt financing and has more equity financing. Looking at the debt to asset ratio of Mahesvara Cashew Industry, we can see that the ratio has been decreasing over the last three years. In 2020, the ratio was 0.21, indicating that 21% of the company's assets were financed through debt. In 2021, the ratio decreased to 0.14, indicating that only 14% of the company's assets were financed through debt. In 2022, the ratio decreased further to 0.12, indicating that only 12% of the company's assets were financed through debt.

Debt to Equity Ratio: The debt-to-equity ratio is a financial metric that indicates the proportion of a company's financing that comes from debt compared to equity. A lower debt to equity ratio typically suggests that a company is less reliant on borrowing and has a stronger financial position. In this case, we can see that Mahesvara Cashew Industry's debt to equity ratio has been decreasing over the past three years. In 2022, the ratio is 0.56, which means that the company has 0.56 in debt for every 1 of equity. This indicates that the company is relying less on debt financing and is in a better financial position compared to the previous two years. In 2021, the debt -to -equity ratio was 0.71, indicating a higher level of debt compared to equity. However, this ratio has still improved from the previous year, suggesting that the company is taking steps to reduce its reliance on debt. In 2020, the debtto-equity ratio was 1.23, which means that the company had 1.23 in debt for every 1 of equity. This indicates a higher level of debt and a potentially weaker financial position compared to the following years. Overall, the decreasing trend in Mahesvara Cashew Industry's debt to equity ratio over the past three years is a positive sign that the company is managing its finances well and becoming less reliant on debt financing.

Activity Ratio:



Inventory Turnover Ratio: The inventory turnover ratio measures how efficiently a company is managing its inventory. It is calculated by dividing the cost of goods sold by the

average inventory value during a specific period. A high inventory turnover ratio indicates that a company is selling its inventory quickly, while a low ratio indicates that inventory is not selling quickly. In the case of Mahesvara Cashew Industry, the inventory turnover ratio has increased from 4.97 in 2020 to 5.78 in 2021. This increase indicates that the company is managing its inventory more efficiently in 2021 than in 2020. The increase in the ratio means that the company has sold its inventory faster in 2021 than in 2020. It is also worth noting that the inventory turnover ratio for 2020 provided in the question is different from the 2020 value provided in the data (5.05). Assuming that the correct value is 5.05, the increase in the inventory turnover ratio from 5.05 in 2020 to 5.78 in 2021 indicates that the company has improved its inventory management practices and has been able to sell its inventory at a faster rate. This could be due to a variety of factors, such as improved production processes, more effective sales and marketing strategies, or better supply chain management.

Asset Turnover Ratio: The Asset Turnover Ratio is a financial ratio that measures a company's ability to generate revenue from its assets. In the case of Mahesvara Cashew Industry, the Asset Turnover Ratio for 2022 is 0.92, which means that for every rupee of assets the company has, it generates 0.92 in revenue. This indicates that the company is less efficient in using its assets to generate sales compared to the previous year. The Asset Turnover Ratio for the company in 2021 was 1.06, which means that for every rupee of assets, it generated 1.06 in revenue. This indicates that the company was more efficient in using its assets to generate sales in 2021 compared to 2022. The Asset Turnover Ratio for the company in 2020 was 1.10, which means that for every rupee of assets, it generated 1.10 in revenue. This indicates that the company was more efficient in using its assets to generate sales in 2020 compared to 2021 and 2022. Overall, the decreasing trend in the Asset Turnover Ratio of Mahesvara Cashew Industry suggests that the company is becoming less efficient in generating revenue from its assets over time. This may be a cause for concern, as it could indicate that the company is not using its assets effectively to drive revenue growth.

CHAPTER-6

LEARNING EXPERIENCE AND

BIBLIOGRAPHY

LEARNING EXPERIENCE

The learning experience gained during this organisation study was very much practical oriented. Learning at Mahesvara cashew for one month gave a greater opportunity to understand the corporate world and how the organisation runs and how they perform their jobs.

I gained the work culture of Mahesvara cashew by practical as well as through theoretically. For the 4 weeks of my organization study from 20-10-2022 to 20-11-2022. I had a great time in MAHESVARA CASHEW INDUSTRIES at MUNIYAL UDUPI DIST. Mr. Gopinath Bhat, who is the manager partner of MAHESVARA CASHEW INDUSTRIES give me a good guidance and also helps in knowing full aspect of cashew industry. For 1st week I try to understand how the firm works in their respective sector what are all the trends and barriers firm have in their sectors. For next 2 week i.e., 2nd and 3rd week of organisation study I learned about how to apply the 7s frame work and 5 force model in the firm. 7s frame work help me out to find that how the firm can gain competitive advantage by controlling internal and external factors it also helped in understanding the structure of work take place in firm and what are all the different strategy company follows and how they control their staffs. 7s model also helps in understanding the system of work what are the values and relationship they share with their customers.

5 force models are the one of the essential theories to tackle the competitors. It will help in analyse the competitors and treat of new competitors for firm. How they can factory improve their relation with suppliers and customers, how to tackle the substitute products.

In last week the firm provided the opportunity to do the financial ratio analysis for the firm. The ratios of the company showcase the positive financial position of the company. It will help me to figure out how a company manage its financial transaction like debt, liquidity positions, shares, expenses and revenues etc.

This organisation study helps to find and analyse the certain facts of the factory. According to my study the company has enough labour work force and all the labours are satisfied with their work and working conditions of the firm. The top executives of the company maintain good relations with suppliers, labours, Brokers, and Direct customers. The company have good name and fame in market with loyal and trust worthy customer and worker base. The company follows all its corporate social responsibilities for the purpose of well development of the society under which the firm is working. And also, company has good liquidity position to repay the debt and perform its day-to-day operation smoothly.

CONCLUSIONS:

Based on the information collected during in plant training and analysis of financial data, it is concluded that there is stability in the growth as well as profitability of the firm. Organisation is enjoying a good credit worthy position as its debtor is paying in time and creditors are giving credit facility for longer period of time. The firm is efficient enough to manage its assets and capital.

Mahesvara Cashew Industries was started with intension of developing local area and providing employment opportunities. Managing partner of the firm Mr. Gopinath Bhat succeeded in achieving primary goals of the firm. Manager is very good in taking decision and solving problems in time.

Mahesvara Cashew Industries is working on large scale. It purchases raw cashew nuts from different countries and export cashew products to different parts of the world. They are installing modern machineries in order to increase the production and also the quality of the product. demand for cashew industry is increasing day by day. So Mahesvara Cashew Industries must try to produce more cashew products with high quality.

BIBLIOGRAPHY:

- [Mahesvara Cashew Industries-09-19-2018.pdf](#)

- **PRASANNA CHANDRA**

Financial Management Theory and Practices, Seventh Edition

Year of publication 2010

- **Dr. S N MAHESHWARI**

Management Accounting and Financial Control

Year of publication 2015

ANNEXURE

ANALYSIS OF FINANCIAL STATEMENT

Financial statement of the firm that is Balance sheet and profit and loss account are explained in this chapter.

BALANCE SHEET

A balance sheet is a financial statement that reports a company's assets, liabilities and shareholder's equity at a specific point in time and provides a basis for computing rates of return and evaluating its capital structure. It is a financial statement that provides a snapshot of what a company owns and owes, as well as the amount invested by shareholders.

BALANCE SHEET OF MAHESVARA CASHEW INDUSTRIES (in Rs. lakhs)			
Particulars	2022	2021	2020
EQUITIES AND LIABILITIES			
SHAREHOLDER'S FUND	1.64	1.61	1.45
Partners share capital			
TOTAL SHARE CAPITAL	1.64	1.61	1.45
Reserves and surplus	76.34	64.51	51.59
TOTAL RESERVES AND SURPLUS	76.34	64.51	51.59
TOTAL SHAREHOLDERS FUNDS	77.98	66.12	53.04

NON-CURRENT LIABILITIES	43.49	46.85	65.07
Long-term borrowings	10.82	10.06	6.22
Deferred tax liabilities (net)	30.00	31.00	32.00
Other long-term liabilities	1.43	1.85	1.29
Long-term provisions			
TOTAL NON-CURRENT LIABILITIES	85.74	89.76	104.58
CURRENT LIABILITIES			
Short-term borrowings	111.68	94.81	99.66
Trade payables	61.06	67.15	27.01
Other current liabilities	10.52	16.53	21.15
Short-term provisions	7.03	1.98	2.17
TOTAL CURRENT LIABILITIES	190.29	180.47	149.99
TOTAL CAPITAL AND LIABILITIES	354.02	336.34	307.62
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	80.10	75.41	104.01
Capital work-in progress	-	0.69	1.48
FIXED ASSETS	80.10	76.10	105.49

Non-current investments	8.91	7.52	2.02
Long-term loans and advances	5.05	11.0	10.4
Other non-current assets	2.02	4	2
		-	-
TOTAL NON-CURRENT ASSETS	96.08	94.66	117.93
CURRENTS ASSETS			
Current investments	33.02	31.01	2.01
Inventories	65.44	61.9	67.14
Trade receivables	66.92	59.8	45.73
Cash and cash equivalents	11.86	9.43	8.80
Short-term loans and advances	2.80	13.57	13.03
Other current assets	77.70	67.39	52.97
TOTAL CURRENTS ASSETS			
	257.74	242.69	189.69
TOTAL ASSETS			
	354.02	336.34	307.62

INTERPRETATION: BALANCE SHEET

The balance sheet of MAHESVARA CASHEW INDUSTRIES as of 31st March 2022 shows that the company's total assets are worth INR 354.02 (IN Lakhs) while its total liabilities stand at INR 354.02 as well.

The given table is the balance sheet of Mahesvara Cashew Industries for the years 2020, 2021, and 2022 in Rs. lakhs. The balance sheet provides information about the company's financial position by listing its assets, liabilities, and shareholders' equity.

The total shareholders' fund has increased from Rs. 53.04 lakhs in 2020 to Rs. 77.98 lakhs in 2022, indicating an increase in the company's equity capital. The reserves and surplus have also increased consistently from Rs. 51.59 lakhs in 2020 to Rs. 76.34 lakhs in 2022.

The non-current liabilities have decreased from Rs. 104.58 lakhs in 2020 to Rs. 85.74 lakhs in 2022. This reduction is mainly due to the decrease in long-term borrowings and deferred tax liabilities.

The current liabilities have increased from Rs. 149.99 lakhs in 2020 to Rs. 190.29 lakhs in 2022. This increase is mainly due to the increase in short-term borrowings and trade payables.

The company's total assets have increased from Rs. 307.62 lakhs in 2020 to Rs. 354.02 lakhs in 2022. The non-current assets have increased slightly from Rs. 117.93 lakhs in 2020 to Rs. 96.08 lakhs in 2022, while the current assets have increased from Rs. 189.69 lakhs in 2020 to Rs. 257.74 lakhs in 2022.

In summary, the balance sheet indicates that Mahesvara Cashew Industries has a healthy financial position, with increasing shareholders' funds, reserves and surplus, and total assets. However, the company has also increased its current liabilities, which could impact its shortterm liquidity position.

5.2 PROFIT & LOSS A/C

The profit and loss statement is a financial statement that summarizes the revenues, costs and expenses incurred during a specified period, usually a fiscal quarter or year. The P&L statement is synonymous with the income statement. These records provide information about a company's ability or inability to generate profit by increasing revenue, reducing costs or both.

TABLE 5.2: Profit and Loss Account.

PROFIT & LOSS ACCOUNT OF MAHESVARA CASHEW INDUSTRIES (in Rs. LAKHS)			
Particulars	2022	2021	2020

INCOME			
REVENUE FROM OPERATIONS(GROSS)	318.37	332.61	328.78
LESS: Excise/Service tax/Other Levies		7.34	5.93
REVENUE FROM OPERATIONS (NET)	318.37	337.12	335.49
TOTAL OPERATING REVENUES	318.37	337.12	335.49
Other income	6.83	20.50	3.79
TOTAL REVENUE	325.20	357.62	339.28
EXPENSES			
Cost of materials consumed	197.35	209.82	238.84
Operating and direct expenses	5.41	17.29	13.31
Changes in inventories of FG, WIP and stock-in trade	0.91	3.96	31.12
Employee benefit expenses	16.8	18.47	16.44
Finance cost	17.4	22.70	19.70
Depreciation and Amortisation expenses	9.59	9.17	8.01
Other expenses	71.85	63.29	68.61
TOTAL EXPENSES	317.71	344.70	333.80
PROFIT/LOSS BEFORE EXCEPTIONAL EXTRAORDINARY ITEMS AND TAX	7.49	12.92	5.48
Exceptional items			
PROFIT/LOSS BEFORE TAX	7.49	12.92	5.48

TAX EXPENSES-CONTINUED OPERATIONS			
Current tax	1.21	2.75	1.51
LESS: MAT credit entitlement	-	0.38	-
Deferred tax	-	2.84	0.50
Tax for earlier years		0.22	3.30
TOTAL TAX EXPENSES	1.21	5.43	4.86
PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITMES	6.29	7.49	0.61

Interpretation: profit and Loss A/C:

The year ended 31st March 2022 saw a decrease in revenue from operations i.e., 318.37 by 18.75 compared to the previous year, but an increase of 1.63 compared to 2020. Other income saw a decrease of 13.67 compared to the previous year, but an increase of 16.71 compared to 2020. Expenses saw mixed results, with cost of material consumed decreasing by 12.47 compared to the previous year, but in 2021 also decreasing by 29.02 compared to 2020. Operating and Direct expenses decreasing by 11.88 compared to the previous year, but an increase of 3.98 compared to 2020. Changes in Inventories decreasing by 3.05 compared to the 2 previous years, Employee benefit expenses increased by 1.67 compared to the previous year, but decreased by 2.03 compared to 2020. Finance cost decreased by 5.3% compared to the previous year, but increased in 3 compared to 2020. Depreciation and amortization increased by 0.42 compared to the previous year and compared to 2020. Other expenses increased by 8.56 compared to the previous year, but decreased by 5.32 compared to 2020. The profit before tax decreased by 5.43 compared to the previous year, but increased by 7.44 compared to 2020. The current tax decreased by 1.54 compared to the previous year, but increased by 1.24 compared to 2020. The profit after tax decreased by 1.2 compared to the previous year, but increased by 6.88 compared to 2020.