



ASPINWALL AND COMPANY LIMITED,
PB No 901, Kulshekar, Mangalore - 575 005, India
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CIN : L74999KL1920PLC001389



CERTIFICATE

This is to certify that **Ms. SOWMYA P RAO (4AL21BA088)MBA**, a student of **Alva's Institute of Engineering and Technology - Mijar**, has successfully completed her Internship on the topic **"ASPINWALL AND COMPANY LIMITED – A PROFILE STUDY"** in our Mangalore Branch of Aspinwall and Company Limited, for a period of 4 weeks from 20 October 2022 - 19 November 2022 in particular fulfillment of the requirement for the award of MBA.

She has completed her project work successfully. During her project work, her involvement in understanding of the subject matter was excellent and we wish her good luck for future.

19th October 2022
Mangalore



Per Pro Aspinwall and Company Limited

(GURURAJA UPADHYAYA)
Assist. Gen. Manager (Fin. & Accts.)

INTRODUCTION OF INDUSTRY:

The history of coffee is as rich as the brew itself, dating back more thousand years. The first coffee plants are said to have come from the Horn of Africa on the Red Sea's shores. Coffee- the dark, aromatic, nonalcoholic, brew is a derivative of the coffee plants. The beans are extracted from the fruit of the coffee plant which is roasted, ground, and liquored to produce the fascinating brew.

The coffee industry of India is the sixth largest producer of coffee in the world, accounting for over four percent of world coffee production, with the bulk of all production taking place in its Southern states. India is most noted for its Monsoon Malabar variety. It is believed that coffee has been cultivated in India longer than anywhere outside of the Arabian Peninsula. India coffee is the most extraordinary of beverages, offering intriguing subtlety and stimulating intensity. India is the only country that grows all of its coffee under shade. Typically mild and not too acidic, these coffees possess an exotic full-bodied taste and a fine aroma. In India, coffee bean cultivation is largely confined to the hilly regions of the southern states of Karnataka, Tamilnadu, and Kerala.

Coffee production in India declined rapidly from the 1870s and was massively outgrown by the emerging tea industry. The devastating coffee rust affected the output of coffee to the point that the costs of production saw coffee plantations in many parts replaced with tea plantations. However, the coffee industry was not as affected by this disease as in Ceylon, and although overshadowed in scale by the tea industry, India was still one of the strongholds of coffee production in the British Empire along with British Guiana. In the period 1910-12, the area under coffee plantations was reported to be 203,134 acres in the southern states, and was mostly exported to England.

In the 1940s, Indian filter coffee, a sweet milky coffee made from dark roasted coffee beans (70%-80%) and chicory (20%-30%) became a commercial success. It was especially popular in the south of Andhra Pradesh, Karnataka, Kerala and Tamilnadu. The most commonly used coffee beans are Arabica and Robusta grown in the hills of Karnataka (Kodagu, Chikkamagaluru and Hassan), Kerala (Malabar region,) and Tamil Nadu (Nilgiris District, Yercaud and Kodaikanal).

Coffee production in India grew rapidly in the 1970s, increasing from 68948 tonnes in 1971-72 to 120000 tonnes in 1979-80 and growing by 4.6 percent in the 1980s. It grew by more than 30 percent in the 1990s, rivaled only by Uganda in production growth in 2007, organic coffee was grown in about 2600 hectares (6400 acres) with an estimated production of about 1700 tonnes. According to

the 2008 statistics published by the Food and Agricultural Organization (FAO), The area of coffee green harvested in India was 342000 hectares (850000 acres), with yield estimates of 7660 hectogram, forming a total production estimate of 262000 tonnes.

There are approximately 250000 coffee growers in India; 98% of them are small growers. Over 90 percent of them are small farms consisting of 10 acres. (4.0 ha) or fewer. According to published statistics for 2001-2002, the total area under coffee in India was 346995 hectares (857440 acres) with small holdings of 175475 accounting for 71.2%. The area under the large holding of more than 100 hectares (250 acres) was 31571 hectares (78010 acres) (only 9.1% of all holdings) only under 167 holdings. The area under less than 2 hectares (4.9 acres) holdings was 114,546 hectares (283333050 acres) (33% of total area) among 138209 holders.

The most important areas of production are in the southern Indian states of Karnataka, Kerala, and Tamil Nadu which accounted for over 92% of India's coffee production in the 2005-2006 growing season. In this same season, India exported over 440000 pounds (200,000kg) of coffee, with over 25% destined for Italy. Traditionally, India has been a noted producer of Arabica coffee but in the last decades, robusta beans are growing substantially due to high yields, which now account for over 60% of coffee produces in India. The domestic consumption of coffee increased from 50000 tonnes In 1995 to 94400 tonnes in 2008.

According to the statistics provided by the Coffee Board of India, the estimated production of Robusta and Arabica coffee for the "Post Monsoon Estimation 2009-10" and "Post Blossom Estimation 2010-11" in different states accounted for a total of 308000 tonnes and 289600 tonnes, respectively. As of 2010, between 70% and 80% of Indian-grown coffee is exported overseas.

Industry Structure:

The coffee industry in India is regulated by Coffee Board of India, headquartered in Bangalore.

The Coffee Board of India is an organization managed by the Ministry of Commerce and Industry of the government of India to promote coffee production in India. The board was set up by an act of parliament in 1942. Until 1995 the Coffee Board marketed the coffee of many growers from a pooled supply, but after that time coffee marketing became a private sector activity due to the economic liberalization in India.

The Coffee Board's traditional duties include the promotion, sale, and consumption of coffee in India and abroad; conducting coffee research; financial assistance to establish small coffee growers; safeguarding working conditions for laborers, managing the surplus pool of unsold coffee.

The Coffee Boards focus on

- Research and Development
- Quality Upgradation
- Providing both domestic and international market information
- External Promotional activities.

Till 1995, the coffee boards had monopolistic control over the marketing of coffee in India, however, due to liberalization the marketing of coffee became a strictly private sector activity.

The move also led to a massive downsizing of the coffee board.

Today the coffee boards conduct many research programs which are helpful for the overall development of the coffee industry. The central research Institute situated in Chikmagalur has been in the forefront over the years. This department also publishes various journals and periodicals for companies and also individual planters.

The Board also has a vast expansion network spread over three main coffee-producing states of Karnataka, Tamil Nadu, and Kerala as well as in the nontraditional areas of Andhra Pradesh, Orissa, and seven north-eastern states.

Major players in the Industry

- TATA COFFEE
- ITC
- ECOM GILL COFFE TRADING PRIVATE LTD
- NESTLE COFFEE
- AMALGAMATED BEAN COFFEE TRADING COMPANY LTD.

COMPANY PROFILE

Aspinwall & Co. Ltd., is one of the earliest commercial enterprises in the Malabar - Coast of South India, established in the year 1867, by the legendary English trader and visionary, John H. Aspinwall. 1884 - John H Aspinwall expired and company remained into the hand of his partner.

Aspinwall Company Limited is a public limited company, incorporated in 1920. The erstwhile royal family of Travancore (present-day Kerala) has a controlling stake of 65% in the company. Mr. Rama Varma is the managing director. ACL is into various businesses, including logistics, coffee, rubber plantation, and coir. The logistics, rubber plantation, and coir businesses are headquartered in Kochi (Kerala), while the coffee division is headquartered in Mangalore (Karnataka).

Asoinwall was offering a range of shipping services, besides carrying on business in timber, spices and several other agro products. Also the company acquired agencies for several marine, general and Life Insurance companies and was very active in the export of coffee, tea, coir yarn, coir mats, matting, rubber, timber, spices, copra, cement and chemicals.

In the year 1889, the company incurred a huge loss as a result of devastating fire, which razed to the ground all the building throughout the length of Cochin waterfront.. As a result of its excellent relationship with the local trading community and suppliers of products, the company was able to withstand wit the crisis. And this enabled the company to retain its position in the market. In 1956, the Royal family of Travancore, the erstwhile rulers of Kerala, South India acquired a small interest in Aspinwall, when the company became a public limited company. In the early 1970's when the English owners decided to divest their ownership in Aspinwall, the controlling interest was taken over by the Royal Family.

Royal Connection

Aspin wall became a public limited company in 1956, with financial participation from the Travancore Royal family. When, in 1971, the English company offered to disinvest its holdings, the Royal family acquired the controlling shares in the Group. With this regal association, the Aspin

wall Group acquired a character and personality of its own, with dynamism, integrity and custom focus as its distinct hallmarks.

The post-1971 phase has been one of consolidation, modernization and expansion for the Aspin wall Group - in the process, weeding out financially unviable ventures and diversifying into new areas of growth and profitability. The change of ownership triggered an era of modernization and expansion of the existing business lines as well as diversification into new areas of growth. Today, Aspinwall has business interests in the areas of Shipping services, Tourisin & Hospitality. Coffee processing, Natural Rubber & processing, and Natural Fibre processing, all with a strong emphasis on exports.

REGISTERED OFFICE:

Aspin wall Buildings,

Calvetty.Cochin-682 001.

Aspin wall has a network of 9 offices and 6 sub agency offices in the following cities:

Bangalore

Chennai

Manglore

Goa

Tuticorin

Vishakapatnam

Hyderabad

Tirupur

Cochin

Organization Profile



Aspinwall & Company Limited operates as a multi-line business organization. The company specializes in shipping and logistics, coffee processing and trading, rubber plantations, coir and natural fiber, and tourism business. Aspinwall & Company conducts business worldwide.

History:

In 1956, the Erstwhile Royal Family of Travancore acquired a small interest in Aspinwall, when it became a public limited company. In the early '70's, when the English owners decided to disinvest, a major portion of the company's shareholding was taken over by the Erstwhile Royal Family, and they continue to hold the controlling interest till date.

Today, Aspinwall and Company Ltd. has diversified business interests in the areas of Logistics, Specialty Coffee, Natural Fiber Products and Natural Rubber.

Board of Directors:

Mr. Rama Varma [Managing Director]

Mr. M. Laxminarayan [Chairman]

Mr. Radhakrishnan T R [Executive Director]

Other Directors:

Mr. C R R Varma

Avittam Thirunal Adithya Varma

Vice Admiral Sushil Krishnan Nair I.N. (Retd.)

Mr.Vijay K Nambiar (IFS Retd.)

Ms. Nina Nayar

Mr. K Srinivasan

Activities

Shipping Services:

- A. Liner Services
- B. Ship Agency Services
- C. Custom House Agents
- D. Stevedoring Services
- E. Bulk Cargo Services
- F. Air Cargo Services
- G. Freight Forwarding Services
- H. Warehousing Services
- I. Project & OD Cargo handling

Coffee Trading and Exports

- A. Processing of Green coffee.
- B. Processing of Speciality Monsooned coffee.

Rubber

- A. Rubber plantations
- B. Manufacture of Centrifuged Latex & Block rubber

Natural Fiber Products [coir]

- Manufacture of Environment Friendly coir, Jute furnishing, Home products and Geo textiles
- Branded door mats

Vision, Mission & Quality Policy

Vision:

We at Aspinwall are committed to Realising your Aspirations as we drive each of our activities with Enduring Trust and practice Resource Optimisation to make Efficacious Delivery to all our stakeholders day after day.



ENDURING TRUST

We put utmost thrust on fundamental values of integrity, ethics and transparency that has been an integral part of our existance in business.



RESOURCE OPTIMIZATION

In our constant endeavour to achieve value for the stakeholders we optimize management of all resources under our care to yield higher contributions



EFFICACIOUS DELIVERY

All our efforts are geared towards delivering high level of efficiency at all stages to achieve continuous delight for our customers.

Mission:

We are the company with a proud heritage and we want to continue our good tradition by offering quality service and products in the area of shipping and logistics, coffee and Argo business, coir, rubber etc. We now give thrust to newer areas of business like tourism and IT.

Values:

- We are deeply committed to the principles of highest ethics in business.
- Strict adherence to the laws of land, moral uprightness and transparency at all the levels of working are our guiding principles.

- Our business is driven by consumer focus professionalism quality of services, products and a passion for growth.
- We respect and value the contribution of our people, their potential and need for their development.
- We constantly strive to improve in everything we do.
- We believe in providing a positive contribution to society.

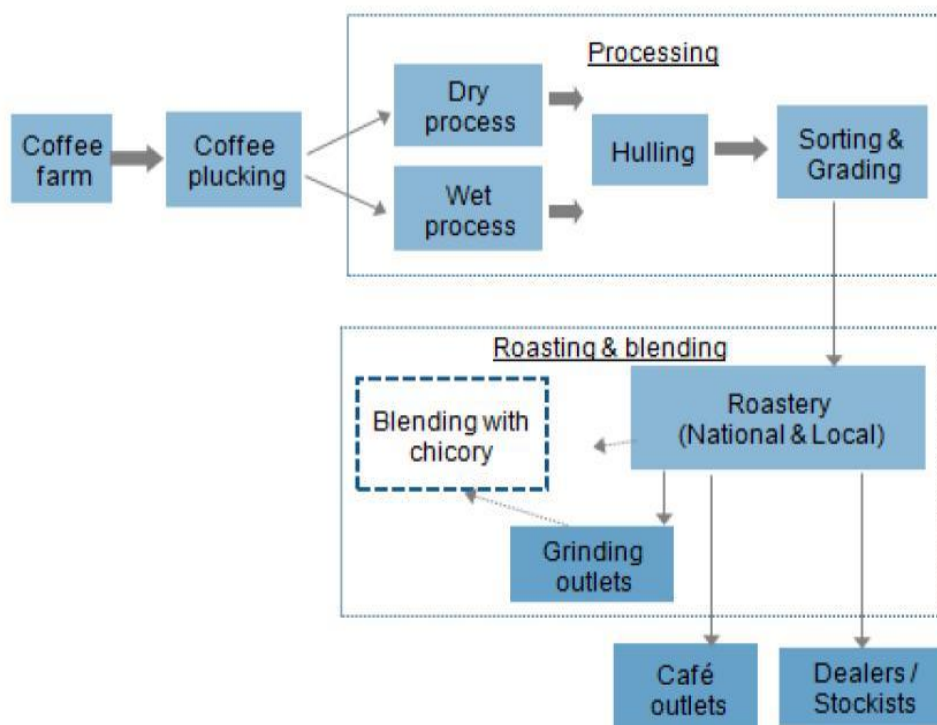
Internal control and adequacy:

The company has established good internal control system in all its functions. The senior management regularly reviews the control systems and makes necessary corrections wherever required. The company's internal auditors have done periodical inspections of all locations and submitted reports on the control systems, procedures etc. positive remedial actions have been initiated on these reports.

Work flow model :

Coffee Boards and its functions:

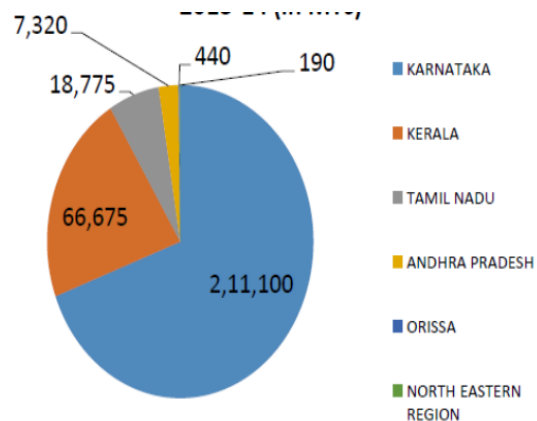
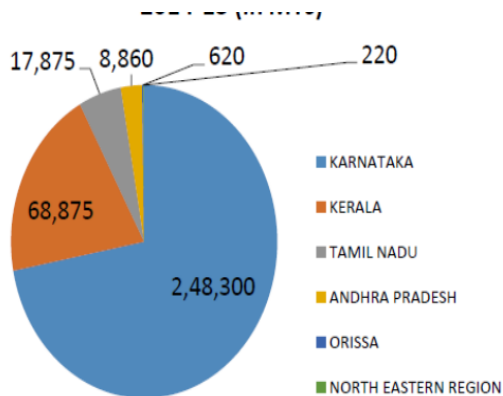
During 1940's the coffee industry in India was in a desperate stage due to the Second World War resulting in a very low prices and ravages of pests and diseases. At this time, Government of India established the „coffee board“ through a constitutional act” Coffee Act V11 of 1942” under the administrative control of Ministry of Commerce and Industry. The board comprises of 33 members including the chairman who is the chief executive and appointed by the government of India. The remaining 32 members represent the various interests of labour and consumers, representatives of governments of the principle coffee growing states, and Members of Parliament.



Geography of Coffee Industry:

India is world's seventh largest producer of the coffee with a vast majority of coffee grown in these three southern states of India i.e. Karnataka (72%), Kerala (20.8%), Tamil nadu (7.7%). Every year the estimation of coffee production is done during the post blossom stage (May/ June) to forecast the coffee crop and then the final estimation of the actual production in the may June for the previous year. The post blossom estimation shows that a higher crop expected as the crops are grown under favorable weather conditions. The final crop estimation for 2013-2014 is 304,500 MT with Arabica a share of 102,200 MT and Robusta of 202,300 MT. Karnataka has the highest production of 211,100 MT followed by Kerala with production of 66,675. The crop estimation for the 2014-15 is 344,750 MT with Arabica's share of 105,500 MT and Robusta; s Share of 239,250 MT. There is an increase nearly 13.2% in crop production as compared to the previous year. Also Arabica and Robusta show an increase of 3.32% and 18.26% respectively as compared to the previous year.

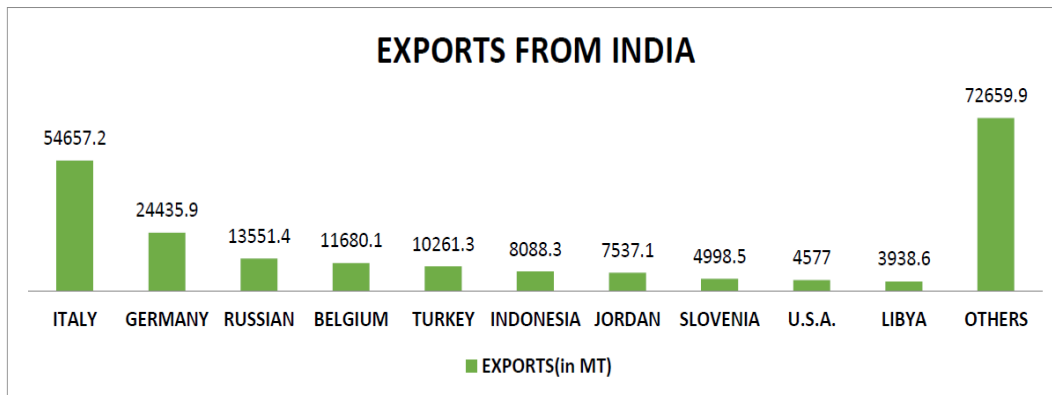
Estimated Production of coffee 2022-23 Final Production of coffee 2020-21



Coffee Exports

India is the sixth largest exporter of coffee. Nearly 70% of the total coffee production is exported to over 45 countries. Italy was the largest market followed by Germany, Russian Federation and Belgium. India exported around 25.26% of the total to Italy followed by 11.3% to Germany. CCL Products Ltd. was the major exporter of coffee with around 11% of the total export followed by Allansons Ltd. with 9%. Tata Coffee, ITC and NKG Jayanti were also some of the major exporters.

chart showing exports from India



Product or Service Profile

Major Divisions of Aspinwall are:

1.Aspinwall Coffee Division



Plantations were one of the oldest organized sectors that grew under the British in India. Coffee, which lured the palates of the European cognoscenti, found large investments in the hilly districts of Coorg, Chikmagalur and Hassan in Karnataka. In the wake of this British exodus to these cool confines, Aspinwall branched out into plantation supplies and coffee curing in Mangalore. Starting as pool agents to the Coffee Board of India, the company has a major presence in the entire coffee supply chain - input supplies to plantations, processing, trading and export.

Aspinwall has extensive and modernized curing facility in Mangalore with state-of-the-art equipment, large warehouses, curing barbecues, electronic colour sorters, and a pool of skilled and experienced garblers, besides a sophisticated cupping laboratory. The Mangalore facility can cure 6,000 tons of coffee annually.

Aspinwall is one of the very few companies in India with facilities to process specialty coffees such as Monsooned Malabar AA and Monsooned Robusta AA. Mild and mellow, these connoisseur's delights are unique to this land. They are a flavour some synthesis of the southwest monsoon winds and the finest cherry beans of coffee. Aspinwall Coffee Division is the proud recipient of the Flavour of India : The Fine Cup Award for Monsooned Coffee for the last six consecutive years and has also bagged the award for excellence in Specialty Coffee Exports for the last two years.

2.Aspinwall Logistics Division:



Aspinwall's involvement with shipping dates back to the very origin of the company, about a century-and-a-half ago.

In tune with the growing tempo in marine traffic, Aspinwall steadily expanded its sphere of operations, building upon its rich expertise and extensive experience in ship chartering and marine/general insurance. Today, Aspinwall's Logistics Division has a pan-India presence with a wide network of offices that covers major ports, ICD's and airports.

1.Liner Services:

Represents world class shipping lines in various locations across the country.

2. Ship Agency Services:

The Logistics Division provides agency services to owners and charterers of bulk and liquid cargo, containers, cruise ships and off-shore vessels.

3. Customs House Agents

Aspinwall provides documentation services to importers and exporters at all customs stations in the country covering ports, ICD's and airports.

4.Stevedoring Services

Stevedoring operations for various types of cargoes such as bulk, break bulk, containers and projects.

5.Bulk Cargo Services

Handling major commodities such as iron ore, coal, fertilizer's, foodgrains, sugar, etc., at ports across India.

6.Air Cargo Services

Aspinwall's Logistics Division is an IATA accredited cargo agency having operations at all major airports in the country.

7.Freight Forwarding Services

The Division offers seamless services in cargo carriage, handling, warehousing and distribution. Our global network enables us to extend point-to-point movement of cargo based on client requirements.

8.Warehousing Services

The Division has extensive warehousing facilities at all its locations for safe storage of consignments.

9.Project and Over-Dimensional Cargo handling

Aspinwall Logistics Division has handled major projects that include Customs clearance, handling and transportation of over-dimensional and heavy lift consignments.

3.Aspinwall Plantation Division:



Rubber has many commercial applications from erasers to airplane tyres. Aspinwall entered the rubber plantation sector in the beginning of the 20th century. The plantations are nestled amidst the idyllic, evergreen hill ranges of northern Kerala and are among the first rubber estates to be developed in Kerala's organized plantation sector. The Group owns and manages about 2,000 acres of rubber plantations and produces high-grade centrifuged latex & technically specified natural rubber. Aspinwall's rubber processing factory which converts latex and scrap rubber into cenex and crumb, has a capacity of around 1000 tonnes per annum.

One of the strengths of Aspinwall's rubber division is its R&D orientation. By developing high-yielding clones, applying innovative agricultural techniques and inter-cropping with medicinal plants, the Division has been able to bring about higher yields and better quality. The output from the plantation is in three categories latex, crumb and skim rubber.

Aspinwall Natural Fibres Division:



Natural Fibre, also known as Cocos, is India's golden gift to the world. The fibre is extracted from the protective husk of coconuts. As a floor covering and furnishing material, Natural Fibre has a great following worldwide. Natural Fibre products are versatile, elegant, colourful and economical. They are 100 percent bio-degradable and environment-friendly.

Aspinwall entered the Natural Fibre industry over a hundred years ago, with factories in Alleppey for producing handloom products and a power loom for machine-made runners and mattings. The Group's century-old experience and expertise, handed down through generations of talented artists and artisans, is reflected in its masterly creations.

The product range includes entrance mats, corridor mats, carpets, mattings, rugs, runners and mesh mattings. Aspinwall is one of the oldest exporters of coir and Natural Fibre products from India. The markets for the products are spread throughout the world. With coir as its traditional base, Aspinwall has diversified into the production of PVC & Rubber-backed Natural Fibre products and jute floor-coverings and furnishings, as well as supplying Natural Fibre geotextiles, which are used

in environment engineering to prevent soil erosion; and coir pith, which is used in horticulture to grow plants.

The Natural Fibre division has a well-staffed design center. Apart from developing its own special designs, the division also manufactures Natural Fibre products customized to specific buyer needs.

Ownership Pattern:

FII, DII, MF, Institutional, Promoter and individual's shareholding changes, pledges, historical increases and decreases of shareholding for Aspinwall and Company Ltd.

Achievements and awards:

- logistics division at Mangalore received Excellence Awards 2022 from New Mangalore Port Authority for bringing the highest volume of sugar as C&F agent and
- Second one for handling 2nd highest volume of Export Cargo at New Mangalore Port Authority.

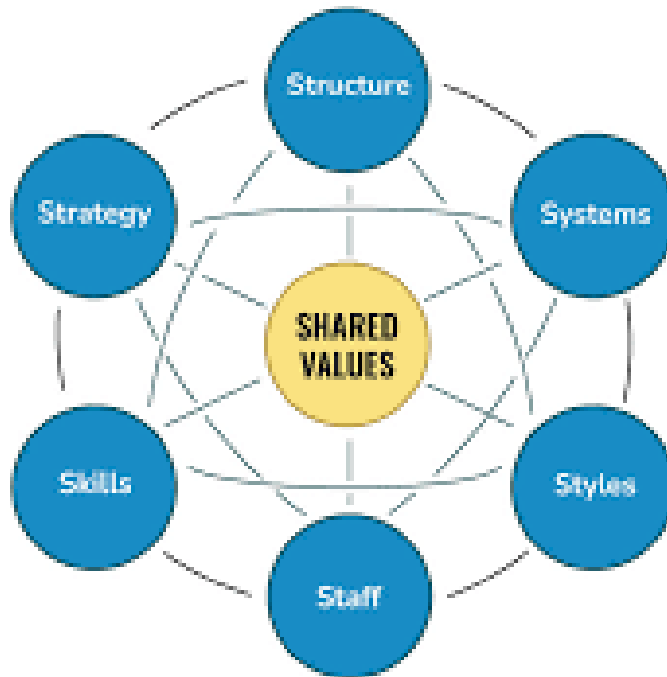
Future growth and Prospects:

- Stocks with improving cash flows with good durability
- Effectively using its capital to generate profit
- Effectively using shareholder's fund
- Company with low debt

Chapter 3

MCKENSY'S 7'S FRAMEWORK AND PORTER'S FIVE FORCE MODEL :

McKinsey 7s Framework Strategic Planning Tool



The model categorizes the seven elements as either "hard" or "soft":

Hard Elements	Soft Elements
Strategy	Shared Values
Structure	Skills
Systems	Style
	Staff

1. Shared values of Aspinwall Company Ltd:

Aspinwall company Ltd is committed to the following Business Principles in all countries, taking into account local legislation, cultural and religious practices. Aspinwall company Ltd business

objective is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for shareholders, employees, consumers, and business partners. Aspinwall company Ltd does not favour short-term profit at the expense of successful long-term business development. It recognizes that its consumers have a sincere and legitimate interest in the behaviour, beliefs and actions of the Company behind brands in which they place their trust, and that without its consumers the Company would not exist. Aspinwall company Ltd believes that, as a general rule, legislation is the most effective safeguard of responsible conduct, although in certain areas, additional guidance to staff in the form of voluntary business principles is beneficial in order to ensure that the highest standards are met throughout the organization. Aspinwall company Ltd is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and the responsible attitude of its management and employees. Therefore recruitment of the right people and ongoing training and development are crucial. Aspinwall company Ltd continues to maintain its commitment to follow and respect all applicable local laws in each of its markets.

2. Structure of Aspinwall Company Ltd :

Aspinwall Company Ltd has a decentralized and functional form of organizational structure. It has a network of 9 offices and 6 sub agency offices in the cities like Bangalore, Chennai, Mangalore, Goa, Tuticorin, Vishakapatnam, Hyderabad, Tirpur, Cochin.

3. Strategy of Aspinwall Company Ltd : Aspinwall Company Ltd has following components of it's business strategy:

- 1.Operational efficiency
- 2.Innovation and renovation
- 3.Whenever, wherever, however
- 4.Consumer communication

4. Skills/key competency areas in Aspinwall Company Ltd:

- Research and Development
- Quality Up gradation
- Providing both domestic and international market formation

- External promotion activities⁵.

5. Staff in Aspinwall Company Ltd:

Aspinwall Company Ltd is the sixth largest producer of coffee in the world, has an annual turnover of nearly 1133 lacks (before exceptional items) in the FY 2020-21. At present there are around 6 sub agency offices , approximately 501-1000 employees.

6. Style of Aspinwall Company Ltd :

It follows an Autocratic form of Management style. All the major decisions are made by top management but as it is a decentralized form of organization so sometimes it becomes democratic also.

7. Systems in Aspinwall Company Ltd:

Aspinwall Company Ltd has, like other organizations follow various systems like recruitment, selection, performance appraisal and others. Recruitments are mostly done by head offices of the organization. Campus recruitment are , say, common in India. Also the standardized criteria for selection of students are followed by the respective plants.

All these above explained parts clearly explain and analyses about various components and processes of Aspinwall Company Ltd . Hence it fulfills the objective of clear and complete analysis of an organization.

PORTER'S FIVE FORCE MODEL OF ASPINWALL COMPANY LTD:

Threat of new entrance	Plantation	1-10	Processing and packing	1-10
Economies of scale	Cannot be achieved due to dependence on environmental factor	2	Can be achieved due to R&D	7
Capital Requirement	Sunk cost of plantation	8	Large investment for setting up processing units	8
Product differentiation	Product differentiation is very difficult	8	Product differentiation in the form of specially coffee like mansooned coffee	8
Switching cost	High cost of training employees	7	Moderately high due to equipments costs associated with the manufacturing process	7
Government policy	Favourable for plantation	3	Favourable	4

Intensity of Rivalry	Plantation	1-10	Processing and packing	1-10
Numerous or Equally balanced competitor	Industry rivalry is high	8	The industry's saturation is moderately high with a monopolistic competition structure.	

Slow industry growth	Growth is slow	7	The industry is mature and growth rate moderately low. Intensity of competition is moderately high.	7
High fixed or storage cost	High fixed cost	8	High fixed or storage cost	8
Lack of differentiation	Product differentiation is very difficult because of being a commodity.	8	Product differentiation is very difficult because of being a commodity	8
Diverse competition	NA	NA	NA	NA

Threat of substitutes	Plantation	1-10	Processing and packing	1-10
Price performance trade off	No. Of switching cost to customer	8	Home coffee grinding machines which is a threat to grounded coffee	4
Produced by industry earning high profits	NA	NA	Soda industry juices, Energy with caffeine	8

Bargaining power of Buyers	Processing and packing	1-10
No. Of Buyers	Large number of buyers in Home and Foreign Country	9
Loyalty of brands	High in Home and Foreign Country	8

Bargaining Power of Suppliers	Processing and packing	1-10
Product differentiation	Product differentiation in the form of specially coffee like monsoon coffee	9
Quality	High Quality product is sold in Home country and exported to foreign country	8

Chapter 4

SWOT ANALYSIS:

A SWOT analysis is an instrumental frame work in Value Based Management. Similarly,Strategy Formulation is very essential to identify the Strength, Weaknesses, Opportunities and Threats for a particular company. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving the objective.

Identification of SWOT is essential because subsequent steps in the process of planning for achievement of the selective objective may be derived from the SWOTs. Strengths: attributes of the person or company that is helpful to achieving the objectives. Weaknesses: attributes of the person or company that is harmful to achieving the objectives. Opportunities: external condition that is helpful to achieving the objectives. Threats: external conditions which could damage to the objectives. The every organization has certain techniques to enhance its production, marketing, financing etc. It will increase the productivity of the organization. Strengths Weaknesses are internal value creating (or destroying) factors such as property, skills or resources a company has at its disposal relatively to its competitors. They can be measured by internal assessment or external bench marking .Opportunities and Threats are external value creating (or destroying) factors that a company cannot control. The SWOT analysis is often used in academia to highlight and recognize strengths, weaknesses, opportunities and threats. It is mainly helpful in identifying areas for development.

Strengths

The "Strengths" portion of the Aspinwall's SWOT analysis is a list of the internal operational elements where it is succeeding or excelling. These elements need to refer to features the company can control and has a direct power to change.

- Aspiwall focus on one of the very few companies in India with facilities process specialty coffees such as Monsooned Malabar and Monsooned Robusta AA.
- Aspinwall has diversified operational divisions in different places.
- Gives employment over 501-1000 workers in the company.
- ISO certificates of company guarantees the company products.
- Company has an excellent exchange rate policy.

Opportunities

The "Opportunities" part of the bank's SWOT analysis is a list of the external environmental elements the banking industry can potentially take advantage of in the near future or long term. These external environmental elements should not reflect the internal components of the industry, but rather the factors or features outside the industry's control.

1. The organization has wide opportunities in near future for its expansion of markets.
2. The certification of ISO future allows provision for much other usage of advanced technology.
3. Company can widen its area of coffee operation from specialty coffees to other coffee divisions also.
4. Expansion of export to US and UAE expands its profitability

Threats

The "Threats" component of the bank's SWOT analysis is a list of the external environmental elements that can potentially harm the banking industry. These external environmental elements do not reflect the internal components of the industry, but the factors or features outside the industry's control.

- Competitions from other private coffee companies.
- Variation in product quality because of more dependence on weather condition.
- Unstable value of rupee against US Dollar

Competitors

CCL PRODUCTS LTD.

ALLANASONS LTD.

ITC LTD.

NKG JAYANTI COFFEE LTD.

TATA COFFEE LTD.

AMALGAMATED BEAN COFFEE LTD

NESTLE INDIA LTD.

OLAM AGRO INDIA LTD.

RUCHI SOYA INDUSTRIES LTD.

S.L.N. COFFEE PVT LTD.

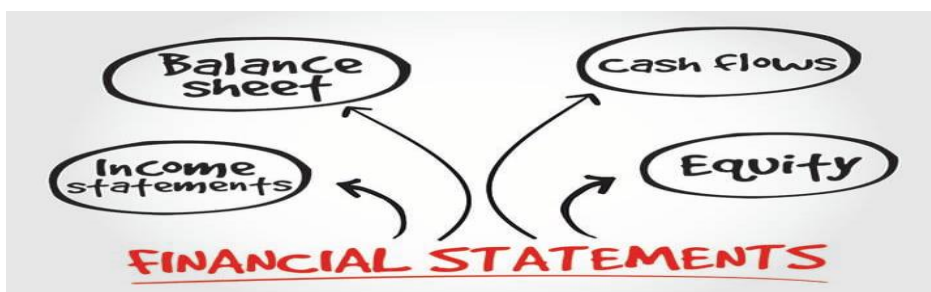
Chapter 5

Analysis of Financial Statement

Economic examination also referred to as financial statement psychoanalysis or accounting analysis refers to an assessment of the viability, stability and effectiveness of a business, sub business or project. It is performed by professionals who prepare reports using ratios that make use of information taken from financial statements and other reports. Based on these reports, management may; continue or discontinue its main operation or part of its business; make or purchase certain materials in the manufacture of its product; Acquire or rent/lease certain machineries and equipment in the production of its goods; Issue stocks or negotiate for a bank to increase its working capital; Make decisions regarding investing or lending capital; Other decisions that allow management to make an informed selection on various alternatives in the conduct of its business. The following financial analysis contains the study of all assets and liabilities. The checking process of all financial and non-financial data's are helps to identify the profit or loss of an organization. With the help of this trading and profit and loss account, the balance sheet could follow the profit or loss for the year ending. Information about a company's financial position is primarily provided in a balance sheet. Information about financial performance is primarily provided in a statement of profit and loss account.

Financial Statement

It is an organized collection of data according to logical and consistent accounting procedures. Its purpose is to convey an understanding of some financial aspects of a business firm.



Balance sheet of Aspinwall and company

(All amounts in Indian rupees lakh)

A. Equity and Liabilities	2017-18	2018-19	2019-20	2020-21	2021-22
1.Shareholders fund					
(A)Share Capital	782	782	782	782	782
(B)Reserve and Surplus	7685	8464	8984	9258	9503
	8467	9246	9766	10040	10285
2.Non-Current Liabilities					
(A)Long term borrowings	342	454	578	719	-----
(B)Long term provisions	525	525	525	525	525
	867	979	1103	1244	525
3.Current Liabilities					
(A)Short term borrowings	630	1723	3010	1039	3007
(B)Trade Payables	300	1502	1372	1036	1308
(C)Other Current Liability	115	1272	975	891	2300
(D)Short term provisions	170	529	734	541	657
	1215	5026	6091	3507	7272
Total	10549	15251	16960	14791	18082
B. Assets					
1.Non-current assets					
(A)Fixed assets					
(a)Tangible assets	4277	5100	4255	5202	5035
(b)Capital work in progress	0	1	4	3	4
	4277	5101	4259	5205	5039
(B)Noncurrent investments	33	23	62	123	123
(C)Deferred tax assets(net)	280	268	357	353	415
(D)Long term loans &	300	316	232	151	163

advances					
(E)Other non-currents assets	1	1	1	37	46
	614	608	652	664	747
2.Current assets					
(A)Current investments	800	1547	1489	496	727
(B)Inventories	3252	3645	5241	3515	6434
(C)Trade receivables	743	2022	1986	1485	1601
(D)Cash & Cash equivalents	430	427	428	619	502
(E)Short term loans and advances	400	861	743	578	849
(F)Other current assets	33	1040	2612	2229	2183
	5658	9542	12049	8922	12296
Total	10549	15251	16960	14791	18082

Profit and Loss statement

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1.Revenue from operations	16903	20794	23662	20430	19436
2.Other income	903	611	549	576	286
Total Revenue	17806	21405	24211	21006	19722
3.Expenses					
a. Cost pf material consumed	6241	6313	8444	8779	9218
b. Purchase of stock in trade	124	127	134	120	150
c. Changes in inventories of finished goods	189	203	-246	316	-1368
d. Employee benefit	92	1906	2293	2679	2906
e. Finance cost	275	294	481	510	524
f. Depreciation &	357	480	497	506	491

Amortization					
g. other expenses	9131	10383	10913	7218	7067
Total expenses	16409	19706	22513	20128	18988
4.Profit for the year (after tax)	842	1005	746	477	338

RATIO ANALYSIS

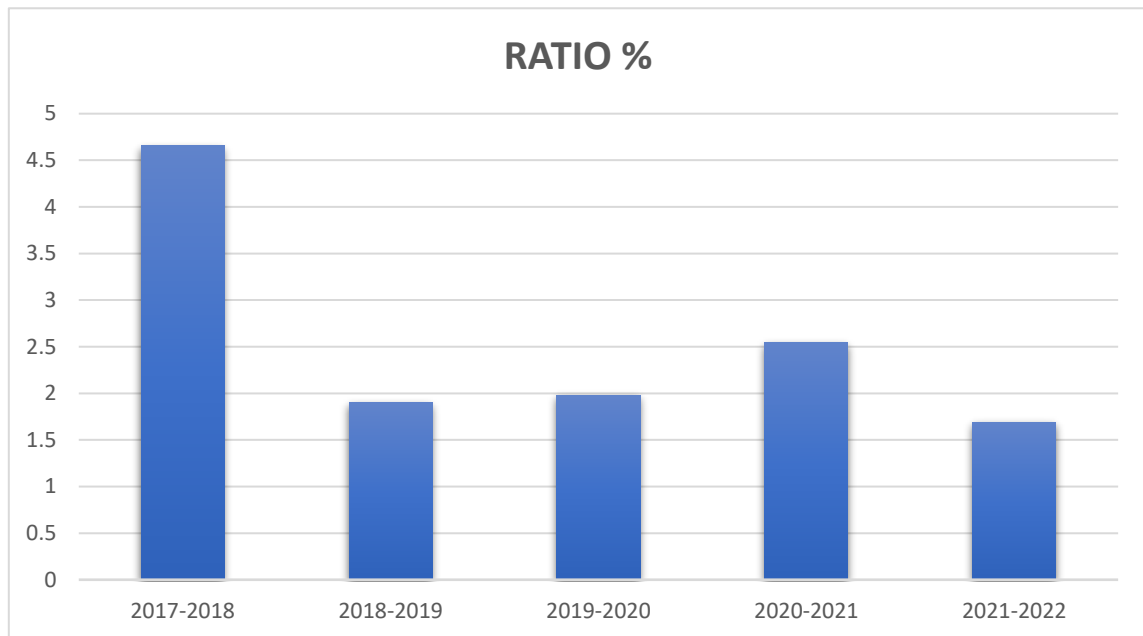
Ratio analysis is a quantitative method of gaining insight into a company's liquidity, operational efficiency, and profitability by studying its financial statements such as the balance sheet and income statement. Ratio analysis is a cornerstone of fundamental equity analysis.

1. CURRENT RATIO:

The current ratio, sometimes referred to as the working capital ratio, is a metric used to measure the company's ability to pay its short-term liabilities due within a year.

$$\text{Current Ratio} = \frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITIES}}$$

CURRENT RATIO			
YEARS	CUURENT ASSETS (RS)	CURRENT LIABILITIES (RS)	RATIO %
2017-2018	5,658.00	1,215.00	4.656790123
2018-2019	9,542.00	5,026.00	1.898527656
2019-2020	12,049.00	6,091.00	1.978164505
2020-2021	8,922.00	3,507.00	2.544054748
2021-2022	12,296.00	7,272.00	1.690869087



Source: Financial statements of the Firm from 2017-2021

Interpretation:

From the above chart reveals that the position of current ratio for the year 2018-19 has decreased due to the increase in liabilities. But the ratio has increased in the next following years. Aspin wall has maintained a higher current ratio then the standard of 2:1 short term solvency of Aspin Wall is satisfactory as shown by the current ratio.

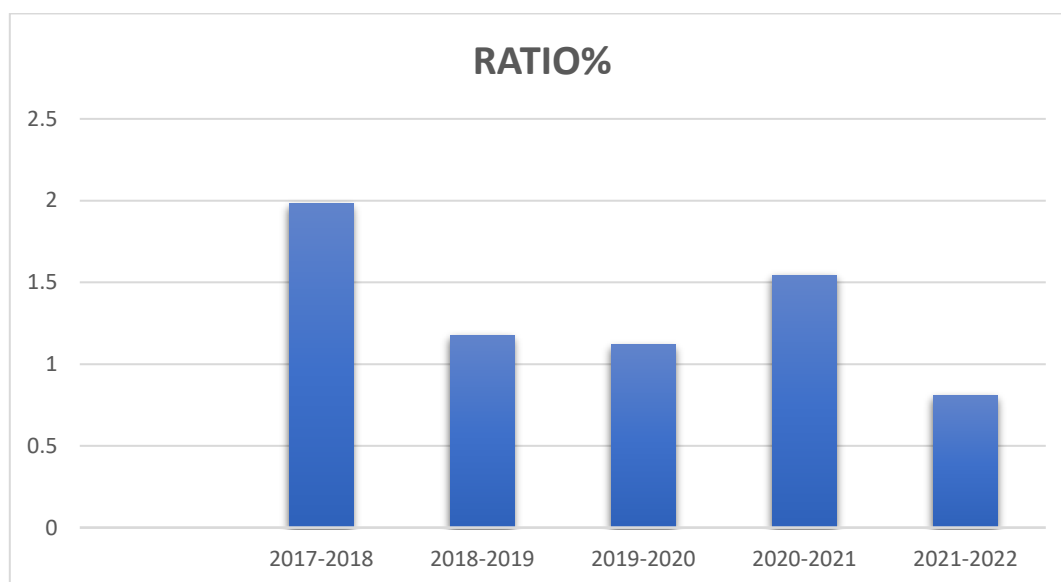
2. QUICK RATIO:

The quick ratio measures a company's capacity to its current liabilities without needing to sell its inventory or obtain additional financing.

The higher the ratio results, the better a company's liquidity and financial health; the lower the ratio, the more likely the company will struggle with paying debt.

$$\text{Quick Ratio} = \frac{\text{QUICK ASSETS}}{\text{CURRENT LIABILITEES}}$$

QUICK RATIO			
QUICK RATIO	QUICK ASSETS (RS)	CURRENT LIABILITIES (RS)	RATIO%
2017-2018	2406	1,215.00	1.980246914
2018-2019	5897	5,026.00	1.173298846
2019-2020	6808	6,091.00	1.117714661
2020-2021	5407	3,507.00	1.541773596
2021-2022	5862	7,272.00	0.806105611



Source: Financial statements of the Firm from 2017-2021

Interpretation:

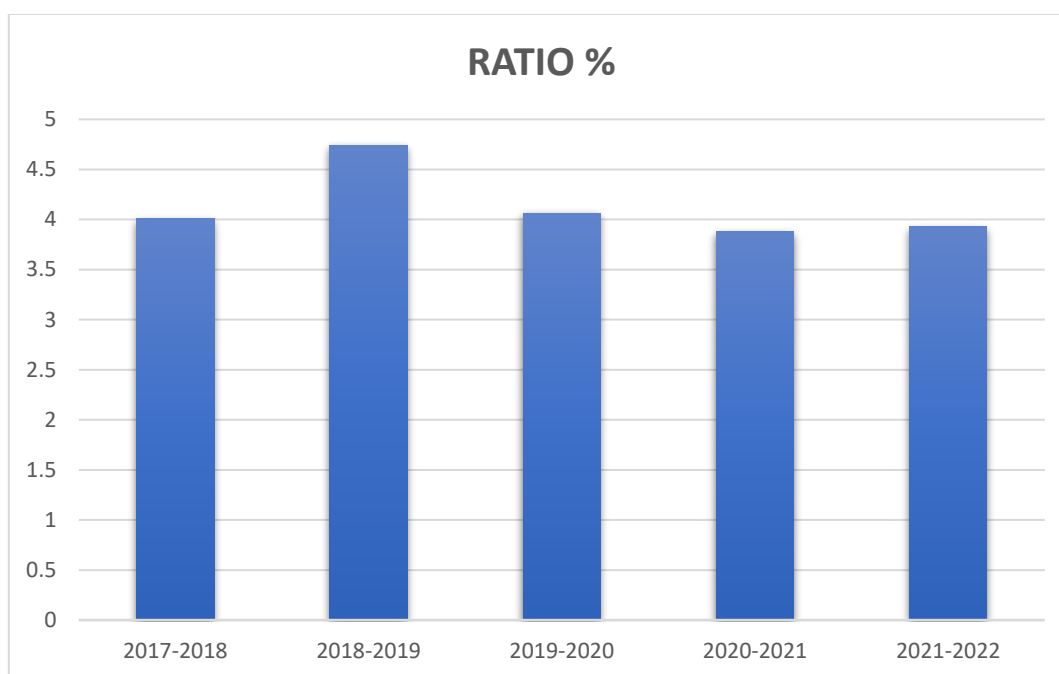
The above chart confirmed that the quick ratio, which shows 1.98 in 2017-18, was increasing. But in 2019-20 it has decreased to 1.11 due to increase in current liabilities.

3. WORKING CAPITAL TURNOVER

It refers to the measurement comparing the depletion of working capital to the generation of sales over a given period, this provides useful information as to how effectively a company is using its working capital to generate sales.

$$\text{Working Capital Turnover} = \frac{\text{Net Sales}}{\text{Net Working Capital}}$$

WORKING CAPITAL TURNOVER RATIO			
YEARS	SALES (RS)	NET WORKING CAPITAL (RS)	RATIO %
2017-2018	17806	4,443.00	4.007652487
2018-2019	21405	4,516.00	4.739813995
2019-2020	24211	5,958.00	4.06361195
2020-2021	21006	5,415.00	3.879224377
2021-2022	19722	5,024.00	3.925557325



Source: Financial statements of the Firm from 2017-2021

Interpretation

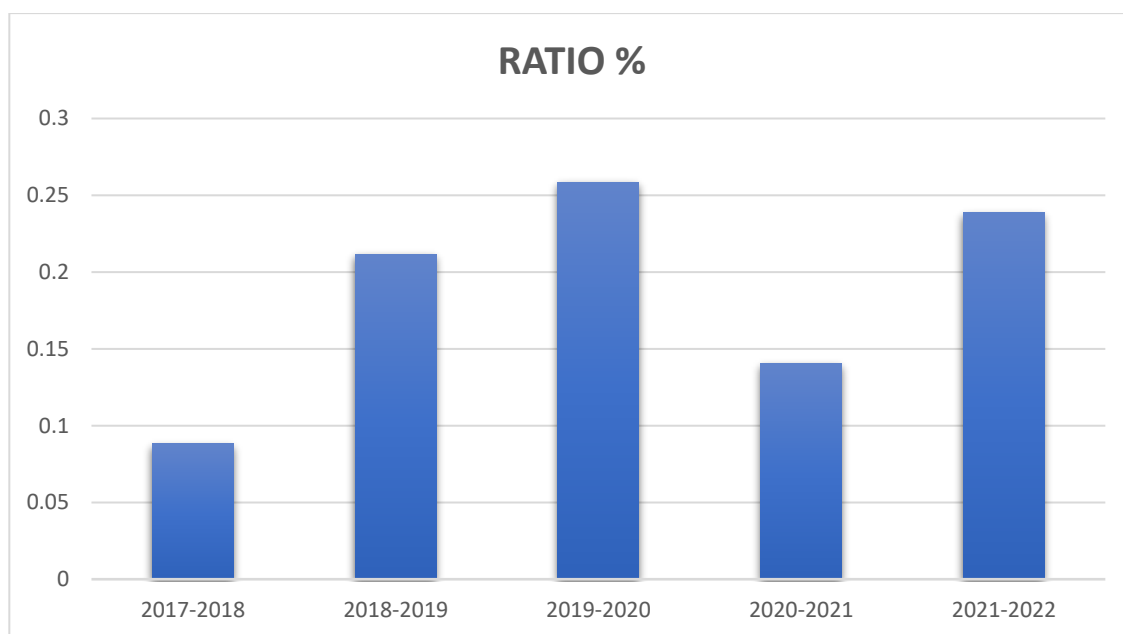
From the above chart revealed that in the year 2018-19 ratio increased to 4.7 due to increase in sales. But in the year 2021-22 it has decreased to 3.9 due to a decrease in net working capital.

4. SOLVENCY RATIO

The solvency ratio is used evaluate the organisation capacity to gather long-term debt requirement. It is one of the key aspects for measuring the financial position of an organisation. It is used to decide the possibility that a company will non-payment on its arrears.

$$\text{Solvency Ratio} = \frac{\text{Total External liabilities}}{\text{Total Assets}}$$

SOLVENCY RATIO			
YEARS	TOTAL EXTERNAL LIABILITIES (RS)	TOTAL ASSETS (RS)	RATIO %
2017-2018	930.00	10,549.00	0.088160015
2018-2019	3,225.00	15,251.00	0.211461544
2019-2020	4,382.00	16,960.00	0.258372642
2020-2021	2,075.00	14,791.00	0.140288013
2021-2022	4,315.00	18,082.00	0.238635107



Source: Financial statements of the Firm from 2017-2021

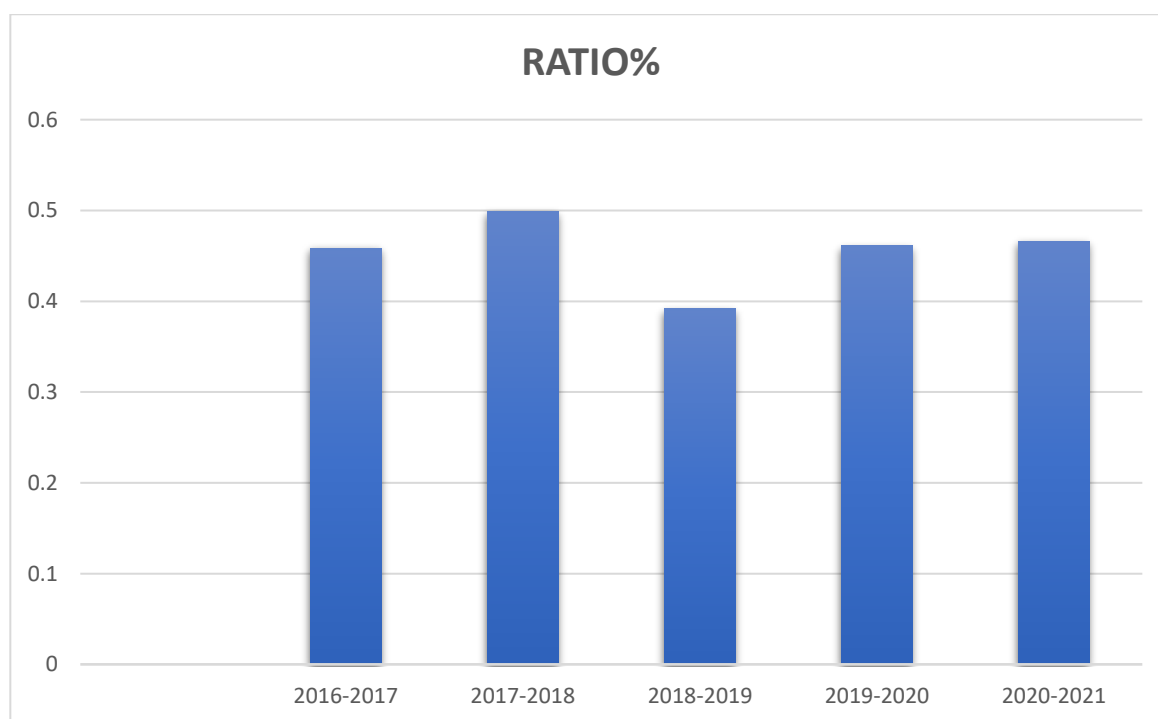
Interpretation: In the above chart it is inferred that ratio in the year 2017-18 is 0.08. 2018-19 slight increase in ratio. Remaining 3 years neither increase nor decrease in the ratio.

5. FIXED ASSETS RATIO

Fixed asset ratio establishes relationship between fixed assets and capital employed. fixed assets are those assets which are used by a business for a longer period of time.

$$\text{Fixed Assets Ratio} = \frac{\text{Fixed Assets}}{\text{Capital Employed}}$$

FIXED ASSETS RATIO			
YEARS	FIXED ASSETS (Rs)	CAPITAL EMPLOYED (Rs)	RATIO%
2017-2018	4277	9334	0.45821727
2018-2019	5101	10225	0.49887531
2019-2020	4259	10869	0.39184838
2020-2021	5205	11284	0.4612726
2021-2022	5039	10810	0.46614246



Source: Financial statements of the Firm from 2017-2021

Interpretation: From the above chart, it is revealed that in the year 2020-21 and 2021-22 ratio is constant, but in the year 2021-22 it increased to 0.47 due to an increase in capital.

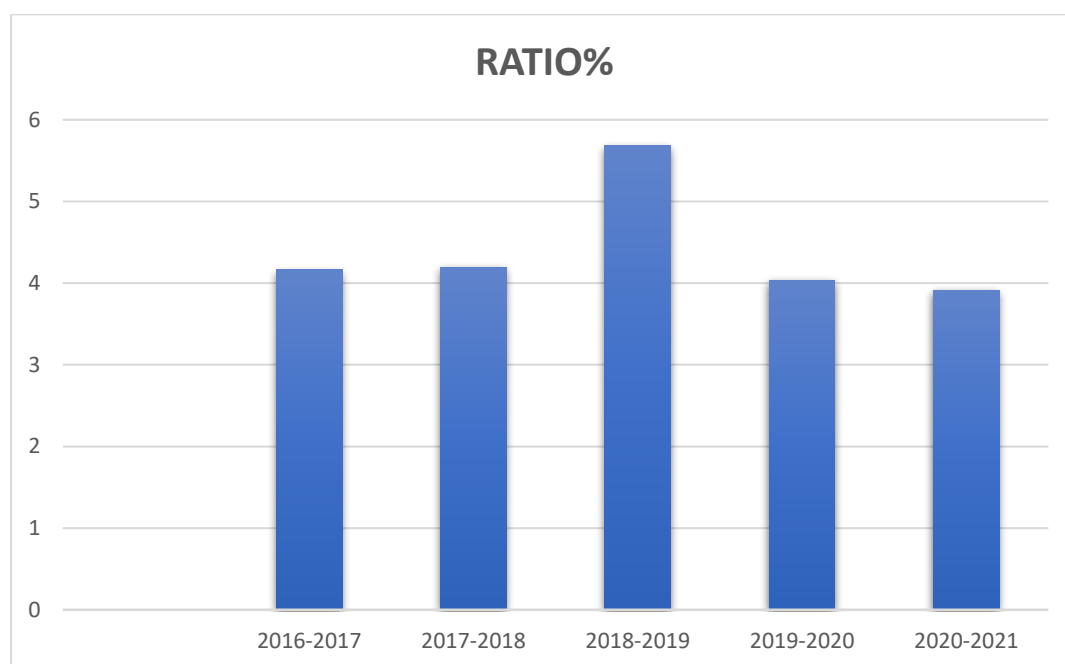
6. FIXED ASSETS TURNOVER RATIO

The fixed asset turnover ratio is an efficiency ratio calculated by dividing a company's net sales by its net property, plant, and equipment.

The fixed assets turnover ratio is an efficiency ratio that measures how well a company uses its fixed assets to generate sales.

$$\text{Fixed Assets Turnover Ratio} = \frac{\text{NET SALES}}{\text{FIXED ASSETS}}$$

FIXED ASSETS TURNOVER RATIO			
YEARS	NET SALES (Rs)	FIXED ASSETS (Rs)	RATIO%
2017-2018	17806	4277	4.1631985
2018-2019	21405	5101	4.19623603
2019-2020	24211	4259	5.68466776
2020-2021	21006	5205	4.03573487
2021-2022	19722	5039	3.9138718



Source: Financial statements of the Firm from 2017-2021

Interpretation

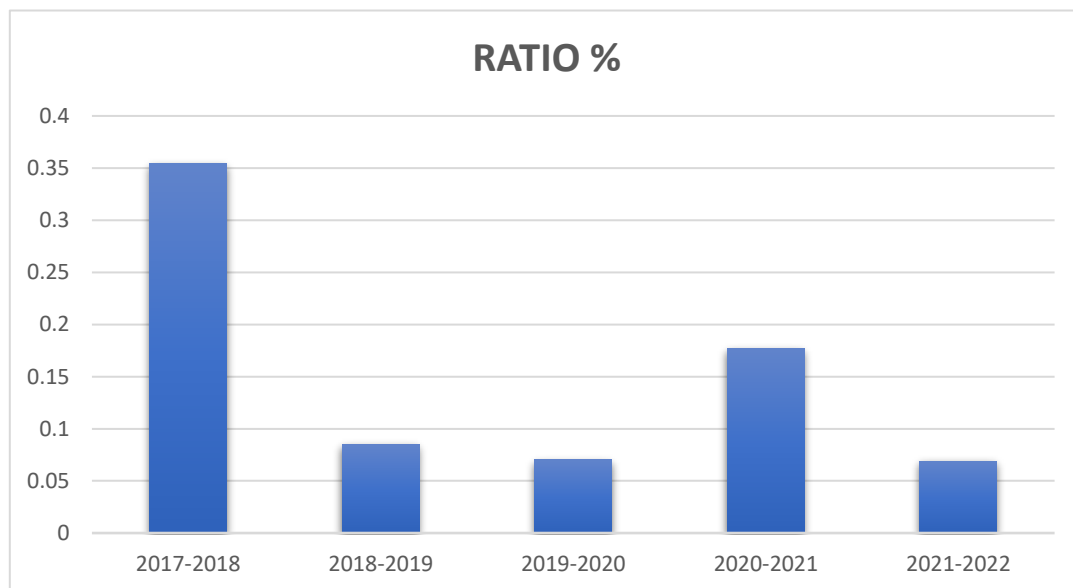
From the above graph, it is inferred that the ratio in the year 2018-19 the ratio 4.19 has decreased due to increased sales. But in the year 2019-20 it is increased to 5.6.

7. CASH RATIO

The cash ratio is a measurement of a company's liquidity. it specifically calculates the ratio of a company's total cash and cash equivalents to its current liabilities.

$$\text{Cash Ratio} = \frac{\text{Total Cash}}{\text{Total current liabilities}}$$

CASH RATIO			
YEARS	TOTAL CASH (RS)	CURRENT LIABILITIES (RS)	RATIO %
2017-2018	430	1,215.00	0.353909465
2018-2019	427	5,026.00	0.084958217
2019-2020	428	6,091.00	0.070267608
2020-2021	619	3,507.00	0.176504135
2021-2022	502	7,272.00	0.069031903



Source: Financial statements of the Firm from 2017-2021

Interpretation

The gross cash ratio of the firm slightly differing in the subsequent years i.e. from 0.35 in 2017-18 but for subsequent years is is neither increase or nor decreasing.

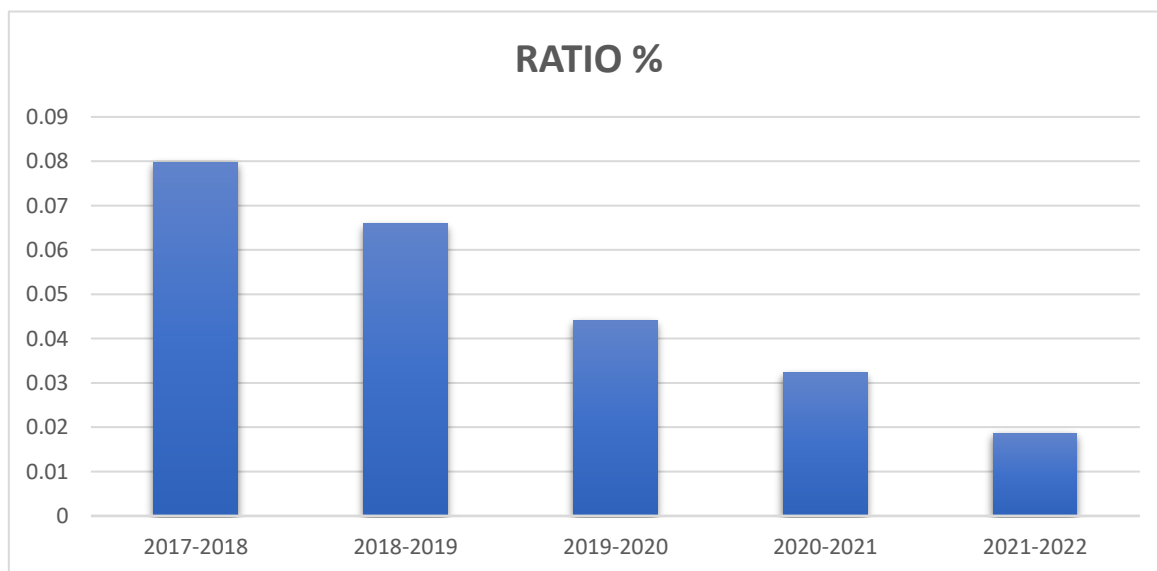
8. RETURN ON ASSETS RATIO

The term return on assets (ROA) refers to a financial ratio that indicates how profitable a company is in relation to its total assets.

It helps the corporate management, analysts, and investors to determine how efficiently a company use its assets to generate a profit.

$$\text{Return On Assets Ratio} = \frac{\text{Net Income}}{\text{Total Assets}}$$

RETURN ON ASSETS RATIO			
YEARS	NET INCOME (RS)	TOTAL ASSETS (RS)	RATIO %
2017-2018	842	10,549.00	0.079817992
2018-2019	1005	15,251.00	0.065897318
2019-2020	746	16,960.00	0.043985849
2020-2021	477	14,791.00	0.032249341
2021-2022	338	18,082.00	0.018692622



Source: Financial statements of the Firm from 2017-2021

Interpretation

From the above chart return on asset ratio is 0.07 in 2017-18 gradually it is decreasing and in the year 2021-22 ROA is 0.01.

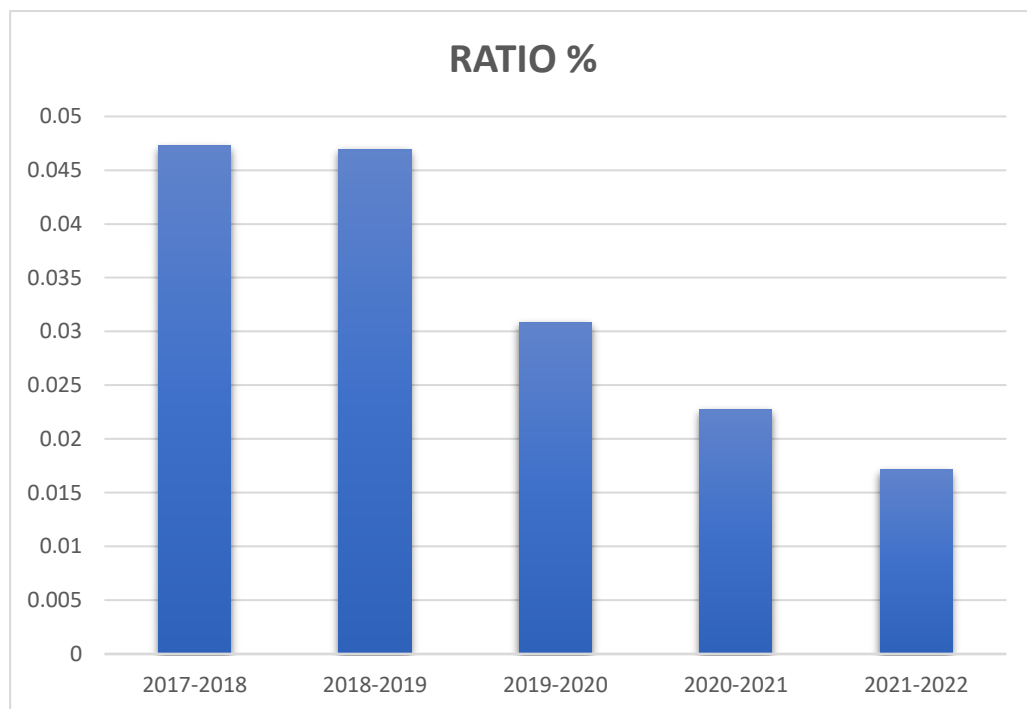
9. NET PROFITS RATIO

It is a way to measure the financial performance or profitability of a business in relation to the costs associated with the production and distribution of product along with the other expenses.

Ratio analysis is important for the company in order to analyse its financial position, liquidity, profitability, risk, solvency and utilization of funds.

$$\text{Net Profit Ratio} = \frac{\text{Net profit}}{\text{Net sales}}$$

NET PROFIT RATIO			
YEARS	NET PROFIT (RS)	NET SALES (RS)	RATIO %
2017-2018	842	17806	0.047287431
2018-2019	1005	21405	0.046951647
2019-2020	746	24211	0.030812441
2020-2021	477	21006	0.022707798
2021-2022	338	19722	0.017138221



Source: Financial statements of the Firm from 2017-2021

Interpretation

The net profit ratio is an indication of Management ability to operate the business with sufficient sources and to incur revenue for the period. From the above chart, The net profit margin of Aspin wall, which was 0.04 in the year 2017-18, improved in the year 2018-19, 0.046 and it decreased during the next 3 years, which shows that the company overall has a very low net profit margin.

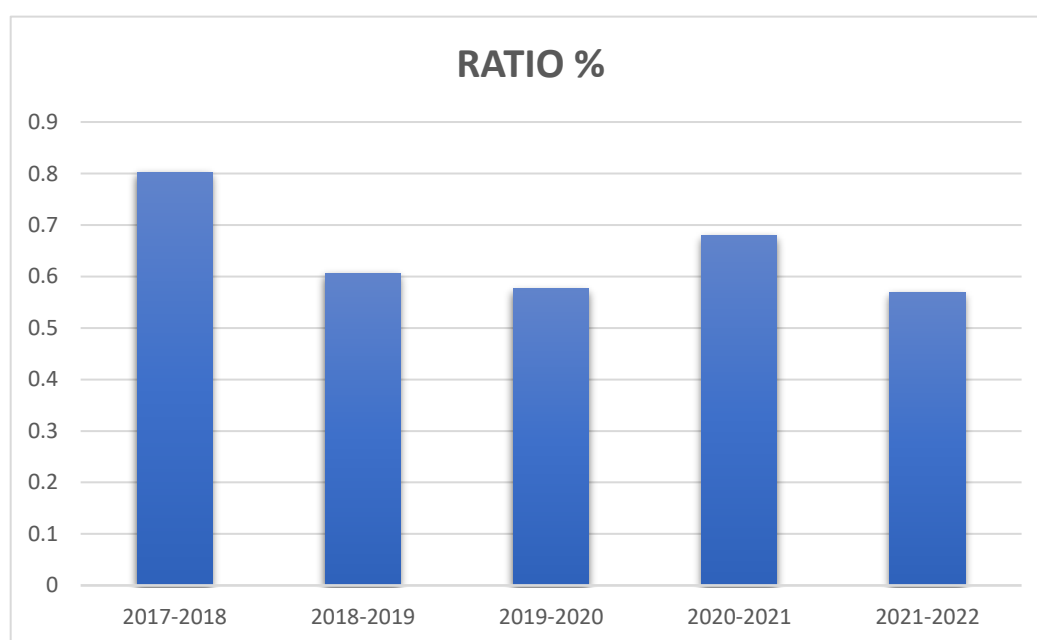
This ratio explains the rupee profit-generating capacity of sales. If the cost of sales is lower, then the net profit will be higher.

10. PROPRIETARY RATIO

Proprietary Ratio also known as equity ratio indicates the relationship between the owners' funds and total assets. It basically indicates the extent to which owners fund are invested in different types of assets. It basically shows the general financial strength of the company. It also tests the soundness of the capital structure.

$$\text{Proprietary Ratio} = \frac{\text{Networth}}{\text{Total Assets}} \times 100$$

PROPRIETARY RATIO			
YEARS	NET WORTH (RS)	TOTAL ASSETS (RS)	RATIO %
2017-2018	8,467.00	10,549.00	0.802635321
2018-2019	9,246.00	15,251.00	0.606255328
2019-2020	9,766.00	16,960.00	0.575825472
2020-2021	10,040.00	14,791.00	0.678791157
2021-2022	10,285.00	18,082.00	0.568797699



Source: Financial statements of the Firm from 2017-2021

Interpretation

It is inferred from the chart it shows that Aspin wall has a proprietary ratio which was fluctuating in the year 2017 to 2021. But in the year 2021-22 ratio is decreased in the shareholders fund due to an increase in total assets.

LEARNING EXPERIENCE

My internship at Aspinwall and Company Limited was a great experience. I am very thankful to all the employees at Aspinwall and Company Limited for helping and guiding me during my internship inspite of their busy schedule.

The brand image of the company is gained through international export and also maintaining good international relations with Buyers. Pricing strategy is based on international marketing, promotional strategies are adopted by attending fairs and exhibitions, and distribution strategies are adopted through various agents and brokers.

I was also given an opportunity to visit the coffee godowns and understand the processing and grading of raw coffee. I noticed there is no compromise for maintaining the quality and quantity of coffee.

I appreciate the team work and the good relationship between the Management and Staff as well as the labourers.

I am really thankful to the staff of Aspinwall for taking interest in my knowledge gaining process.