



ज्ञानगंगा घरोघरी

A PROJECT REPORT ON

**“A STUDY ON FINANCIAL ANALYSIS OF CASHEW MANUFACTURING
INDUSTRY WITH REFERANCE TO SHREE LAXMI ENTERPRISE
SONOLI, BELGAUM”**

Submitted to

Yashwantrao Chavan Maharashtra open university, Nashik

In partial fulfilment for the award of

MASTER OF COMMERCE (M.Com-M117)

BY

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Study Centre Code: 7582A

Under the guidance of

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2023-24



ज्ञानगंगा घरोघरी

(Affiliated to YCMOU University, Nasik)

CERTIFICATE

This is certified that Miss. CHAVAN NIKITA GANAPAT has completed her project report entitled “**A STUDY ON FINANCIAL ANALYSIS OF CASHEW MANUFACTURING INDUSTRY WITH REFERANCE TO SHREE LAXMI ENTERPRISE SONOLI, BELGAUM**” is a benefited work and dependent project study for the partial fulfilment of the requirement for the award of Degree for **Master of Commerce** during the academic year 2023-24

PRN NO: 2022017000174232

Prof. Raju A Sanadi

Project Guide

Dr. P. Satam

Co-Ordinator

DECLARATION

Miss. Chavan Nikita Ganapat here by declare that, the project entitled “**A STUDY ON FINANCIAL ANALYSIS OF MANUFACTURING CASHEW INDUSTRIES**” has been prepared by me during the year 2023-24 under the guidance of prof. Raju Sanadi P. G. Department of commerce Yashawantrao Chavan Maharashtra Open University, Nashik. As a partial fulfilment of award the degree of Master of Commerce.

This is original work carried out by me and the same is not submitted to any other university or institution for the award any degree.

Date:

Miss. Chavan Nikita Ganapat

Place: Belagavi

PRN NO. 2022017000174232

ACKNOWLEDGEMENT

The completion of drafting is a solitary task but one which has been made smoother with the help of many people. Here I take this opportunity to thank those who made a vital contribution in shaping this study. I sincerely thank the management of the reference “**SHREE LAXMI ENTERPRISES, SONOLI, BELGAUM**” for giving me to an opportunity to undergo my internship project in their esteemed organization. My hearty thanks to proprietor **Mr. Rajendra M. Patil** for helping me to carry out my project successfully and provided me with his valuable time.

I extend my thanks to our principal **SHRI. P.D. SATAM** and unfailing support in completing the project. I express my heartfelt thanks and profound sense of gratitude to my beloved teacher, project guide **Prof. Raju A. Sanadi**. For his guidance and invaluable help.

Lastly , I would like to take the pleasure of being grateful to my family and friends who have constantly been there for me and have motivated me to do my work with at most sincerity and integrity.

CHAVAN NIKITA GANAPAT

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CHAPTER-I INTRODUCTION

1.6 Study on financial analysis

Financial analysis is the process of examining a company's performance in the context of its industry and economic environment in order to arrive at a decision or recommendation. Often, the decision and recommendation addressed by financial analysis pertain to providing capital to companies – specifically, whether to invest in the company's debt or equity securities and at what price. An investor in debt securities is concerned about the company's ability to pay interest and to repay the principal lent. An investor in equity securities is an owner with a residual interest in the company and is concerned about the company's ability to pay dividends and the likelihood that its share price will increase.

Overall, a central focus of financial analysis is evaluating the company's ability to earn a return on its capital that is at least equal to the cost of that capital, to profitably grow its operations, and to generate enough cash to meet obligations and pursue opportunities.

Financial performance is a subjective measure of how well a firm can use assets its primary mode of business and generate revenues. The term is also used as a general measure of a firm's overall financial health over a given period analysts and investors use financial performance to compare similar firms across the same industry or to compare industries or sectors in aggregate.

Financial performance in broader sense refers to the degree to which financial objective being or has been accomplished and is an important aspect of finance risk management. It is the process of measuring the results of a firm's policies and operations in monetary term. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

1.2 OBJECTIVES OF FINANCIAL ANALYSIS

The primary objective of financial statement analysis is to understand and diagnose the information contained in financial statement with a view to judge the profitability and financial soundness of the firm, and to make forecast about future prospects of the firm. The purpose of analysis depends upon the person interested in such analysis and his object.

- To assess the earning capacity or profitability of the firm.
- To assess the operational efficiency and managerial effectiveness.
- To assess the short term as well as long term solvency position of the firm.
- To identify the reasons for change in profitability and financial position of the firm.
- To make inter-firm comparison.
- To make forecasts about future prospects of the firm.
- To make inter firm comparison
- To make forecast about future prospects of the firm
- To assess the progress of the firm over a period of the time.
- To help in decision making and control.
- To guide or determine the dividend action.
- To provide Important information for granting credit.

1.3 SCOPE OF FINANCIAL ANALYSIS

According to framework for the preparation and presentation of financial statements (International Accounting Standards Committee 1989) The role of the financial reporting by companies is to provide information about their performance ,financial position and changes in financial position that is usefulness to a wide range of user in making economic decisions. Financial statements are the end result of an According record-process that records the economic activities Of a Company. They summarize information for use by investor, creditor analysts and other interested in a Company performance and financial position. The key financial statements that are the focus of analysis are the income statements, balance sheet, statements of cash flows and owner's equity. The income statement and statement of cash flows portray different aspects of a Company's Performance over a period of time. The balance sheet portrays

FINANCIAL ANALYSIS

Financial statements analysis is used to identify the trends relationship between financial statements items. Both internal management and external users (such as Analysts, creditors, and investors) of the financial statements need to evaluate a Company's profitability liquidity and solvency. The post common method used for financial statements analysis common size statements and ratio analysis. These method include calculation and comparison of the results to historical Company data, competitors or industry averages to determine the relative strength and Performance of the Company being analyzed.

1.4 ADVANTAGES OF FINANCIAL ANALYSIS

Main benefit or advantages of financial analysis can be studied as follows :

1. Evaluation of past performance :

Financial Performance analysis evaluates the past Performance of business such as sales, cash flows income, returns on investment etc.by using different techniques like trend analysis, vertical analysis, ratio analysis etc.

2. Indication of the current position:

Financial Performance analysis indicates the current financial position of the business in terms of profitability and operational efficiency.

3. Prediction of future Performance:

It provides the data of past and current financial position of the business. These data and information are the bases to predict future earnings and growth rate of the business.

4. Planning and decision making:

Financial performance analysis evaluates and compares the past and present performance of the business. Its help the management in planning and decision making process.

5. Tax Determination:

Financial performance analysis shows accurate financial position and profitability of the business. So, it helps to determine tax liabilities of the Company.

6. Credit Decisions:

Financial Performance helps the bankers to make credit decision by providing up-to- date information regarding profitability, solvency, liquidity and efficiency of the business firm.

1.5 DISADVANTAGES OF FINANCIAL ANALYSIS

Notable Limitation or disadvantages of financial analysis can be of as follows:

1. Ignore qualitative aspect:

Financial Performance analysis check only qualitative or monetary aspect of the business .It totally Ignore qualitative aspect.

2. Historical Data:

Financial Performance analysis is done with the help of historical financial data provided by financial statements. So, it may not be A base or indicator or future estimation, Planning, forecasting and decision making.

3. Biasness:

Financial Performance analysis may suffer from the Biasness of the Analysts. The may mislead the user.

4. Does not provide solution:

Financial Performance analysis only identifies the finance related Problems of the Company It fail to suggest the solution.

5. Difficult to compare :

Different companies may follow different accounting principles (Like different depreciation method LIFO method, FIFO Method etc.) In the situation it is impossible to compare different financial statements accurately.

6. Price level change:

Effect of the price level change cannot be adjusted in financial statements analysis.

1.6 RESEARCH METHODOLOGY

RESEARCH DESIGN

Descriptive research design is used in this study because it will ensure the minimization of bias and maximization of reliability of data collected descriptive study is based on the annual report of shri laxmi enterprises.

SOURCES OF DATA

Primary data

The source of data collected from shri laxmi enterprises and officials

Secondary data

The source of data was the published the annual report of shri laxmi enterprises from 2018-19 to 2022-23. And some information collected from websites, and research papers

PERIOD OF STUDY

The focus of this present research study is on the financial performance of shri laxmi enterprises for this purpose, relevant data for the period of 5 years are collected from the annual reports of the shri laxmi enterprises.

CHAPTER-II
COMPANY PROFILE

2.1 PROJECT AT A GLANCE

1	PROJECT	MANUFACTURING OF CASHEW
2	NAME OF THE UNIT	SHRI LAXMI CASHEW
3	LOCATION OF THE UNIT	GANPAT GALLI AT-SONOLI POST-BELGUNDI TALUKA/DISTRICT - BELGAUM
4	STATUS	SMALL SCALE
5	CONSTITUTION	PROPRIETORSHIP
6	NAME OF THE PROMOTER(S)	RAJENDRA M PATIL
7	CATAGEORY OF THE PROMOTER	MALE
8	<u>COST OF PROJECT</u>	(Amount in Rs)
	MACHINERIES & TOOLS	1779575.00
	FURNITURE AND FIXTURES	10170.00
	BUILDING	2821732.00
	WORKING CAPITAL	7500000.00
	TOTAL	12111477.00
9	<u>MEANS OF FINANCE</u>	(Amount in Rs)
	PROMOTER'S CONTRIBUTION	4611477.00
	CASH CREDIT LOAN	7500000.00
	TOTAL	12111477.00
10	PAYBACK PERIOD OF TERM LOAN	N/A
11	TECHNICAL KNOW-HOW	Promoter is a young, progressive entrepreneur
12	EMPLOYMENT POTENTIAL	5 Skilled labour

2.2 TECHO - ECONOMIC FEASIBILITY REPORT

FINANCIAL ASPECTS

PROJECT COST

1	Machineries & Tools	Machineries and Tools will be purchased up to Rs 3,70,657.00 /-
2	Furniture& Fixtures	To be Purchased @ Rs 68,023.00 /-
3	Computer and UPS	To be purchased @ Rs 91,250.00 /-
4	Rent Deposit	Building is taken on Rent, where Rs 50,000.00 /- given for Deposit. This Deposit is from promoter's Contribution.
5	Working Capital	During 1st year of operation, Rs 30,000.00 /- is required for working Capital . which will be promoter's share.

MEANS OF FINANCE

1	Promoter's Share	Promoter will invest Rs /- which is 38.02% of the total cost of project
2	CASH CREDIT	A CC Loan of Rs 75,00,000.00/- shall be raised from Bank for to as working capital

COST OF PROJECT & PROFITABILITY

1	1 Raw Materials	* Main row- material of project is Raw Cashew
2	Manpower	The unit shall employ 5 skilled and 5 Unskilled The required manpower is easily available.
3	Electricity & Power	25 HP arrangement is to be made for Electricity and power. A connected load shall be sufficient.
4	Repair & Maintenance	It is assumed that these expenses will be 1% of the total cost Machineries and Tools and other assets.
5	Depreciation	Depreciation is calculated by WDVM @ 10% p.a. on Furniture and Fixtures, @15% p.a. on Machineries and Tools and @ 60% on Computers and UPS.

2.3 OBJECTIVE STUDY

PRIMARY OBJECTIVE

To analysis the Financial Performance of the Shri Laxmi Enterprises.

SECONDARY OBJECTIVE

To analysis the financial Performance in term of profitability.

To analysis the growth of industry during the period of study.

To compare the Financial Performance of period of study.

To evaluate the short term and long term financial position.

2.4 VISION:

To be amongst the most admired organizations with a significant global presence.

To be better service to the customer.

To hold sense of market.

MISSION:

Good market capturing.

Delightful customer service in world class quality.

Effectiveness of cost and innovative technology used in the challenging environment for the production.

QUALITY POLICY:

In the production of cashew nut 30 grade quality maintain.

Equal-pay to the equal work.

Proper inspection about working of employee in the work field.

Minimum wastage maintaining.

2.5 PRODUCTS PROFILE:

About cashew nut basis of the sizes:

W-180

W-210

W-240

W-320

SSW

DW

FW

Pieces of the cashew-nut basis:

J-H

S-H

Under the quality basis four pieces.

LWP

SWP

JK

DP

2.6 AREA OF OPERATION:

Karnataka

Maharashtra

Goa ect.

2.7 INFRASTRUCTURE FACILITIES:

Good lighting and ventilation facility.

Proper vehicle facility to droop the house.

Evening time tea facility.

24 Hrs water available in the manufacturing firm.

To take a rest good rest room.

If heavy work there is a chance of the safety purposes gloves provides.

Hand oil gloves also provides.

Cc camera facility to watch the work.

Well bathroom facility.

FUTURE GROWTH AND PROSPECTS:

To capture good industrial among one of them in global world.

2.8 SWOT ANALYSIS:

STRENGTHS:

Buyers and supplier network are good.

Buyers are like a wide distributed areas say that Pune, Mangalore and Goa.

Large number of lab-ours are available at the locally.

Employees are well trained in each task.

Good quality of cashew-nut providing.

Very good demand for cashew nut especially in the festival time.

WEAKNEESS:

Some raw materials are highly sensitive.

High transportation cost because it is held in the rural area.

Lab-ours cost are little bit high.

Maximum time electricity problem.

OPPORTUNITIES:

Huge utilization of number of worker to work as workforce effectively.

Opportunity to provide good service to customer and keep tough continuously.

Expanding manufacturing of variety of cashew nut according to the demand, and customer expectation.

THREADS:

Increasing number of competition in now a days.

Risk of uncertainty.

Removal of qualitative risks on raw material imports.

To earning sustainable profit in the each and every time.

To maintain well competition to the another industries.

To create good employment opportunity in the citizen of people.

To operate another industries in the new place especially good located area where is more lab-ours available.

CHAPTER-III
THEORITICAL BACKGROUND OF THE STUDY

3.1 HISTORY OF CASHEW-NUT

Cashew is the common name of a tropical evergreen tree *Anacardium occidentale*, in the family Anacardiaceae. It is native to South America and is the source of the cashew nut and the cashew apple, an accessory fruit. The tree can grow as tall as 14 metres (46 feet), but the dwarf cultivars, growing up to 6 m (20 ft), prove more profitable, with earlier maturity and greater yields. The cashew nut is edible and is eaten on its own as a snack, used in recipes, or processed into cashew cheese or cashew butter. The nut is often simply called a 'cashew'. Cashew can cause allergies triggered by the proteins found in the nuts.



In 2019, four million tonnes of cashew nuts were produced globally, with Ivory Coast and India the leading producers. As well as the nut and fruit, the plant has several other uses. The shell of the cashew seed yields derivatives that can be used in many applications including lubricants, waterproofing, paints, and, starting in World War II, arms production. The cashew apple is a light reddish to yellow fruit, whose pulp and juice can be processed into a sweet, astringent fruit drink or fermented and distilled into liquor.

The cashew tree is large and evergreen, growing to 14 metres (46 feet) tall, with a short, often irregularly shaped trunk. The leaves are spirally arranged, leathery textured, elliptic to obovate, 4–22 centimetres ($1\frac{1}{2}$ – $8\frac{3}{4}$ inches) long and 2–15 cm ($\frac{3}{4}$ –6 in) broad, with smooth margins. The flowers are produced in a panicle or corymb up to 26 cm (10 in) long; each flower is small, pale green at first, then turning reddish, with five slender, acute petals 7 – 15 millimetres ($\frac{1}{4}$ – $\frac{5}{8}$ in) long. The largest cashew tree in the world covers an area around $7,500\text{ m}^2$ (81,000 sq ft) and is located in Natal, Brazil.



The fruit of the cashew tree is an accessory fruit (sometimes called a pseudocarp or false fruit). What appears to be the fruit is an oval or pear-shaped structure, a hypocarpium, that develops from the pedicel and the receptacle of the cashew flower. Called the cashew apple, better known in Central America as *maranon*, it ripens into a yellow or red structure about 5–11 cm (2–4+ $\frac{1}{4}$ in) long.

The true fruit of the cashew tree is a kidney-shaped or boxing glove-shaped drupe that grows at the end of the cashew apple. The drupe first develops on the tree and then the pedicel expands to become the cashew apple. The drupe becomes the true fruit, a single shell-encased seed, which is often considered a nut in the culinary sense. The seed is surrounded by a double shell that contains an allergenic phenolic resin, anacardic acid—which is a potent skin irritant chemically related to the better-known and also toxic allergenic oil urushiol, which is found in the related poison ivy and lacquer tree



The cashew tree is cultivated in the tropics between 25°N and 25°S, and is well-adapted to hot lowland areas with a pronounced dry season, where the mango and tamarind trees also thrive. The traditional cashew tree is tall (up to 14 m) and takes three years from planting before it starts production, and eight years before economic harvests can begin.

More recent breeds, such as the dwarf cashew trees, are up to 6 m (20 ft) tall, and start producing after the first year, with economic yields after three years. The cashew nut yields for the traditional tree are about 0.25 metric tons per hectare, in contrast to over a ton per hectare for the dwarf variety. Grafting and other modern tree management technologies are used to further improve and sustain cashew nut yields in commercial orchards.

3.2 TOP TEN CASHEWNUT PRODUCING STATES: 2021-22

Sr No.	State	"Production(000 Tonnes)"
1	Maharashtra	199.7
2	Andhra Pradesh	127.2
3	Orissa	121.3
4	Karnataka	77.9
5	Tamil Nadu	77.3
6	Kerala	76.8
7	Chattisgarh	21.4
8	West Bengal	11.5
9	Meghalaya	10
10	Gujarat	6.7

3.3 HEALTH BENEFITS OF CASHEW

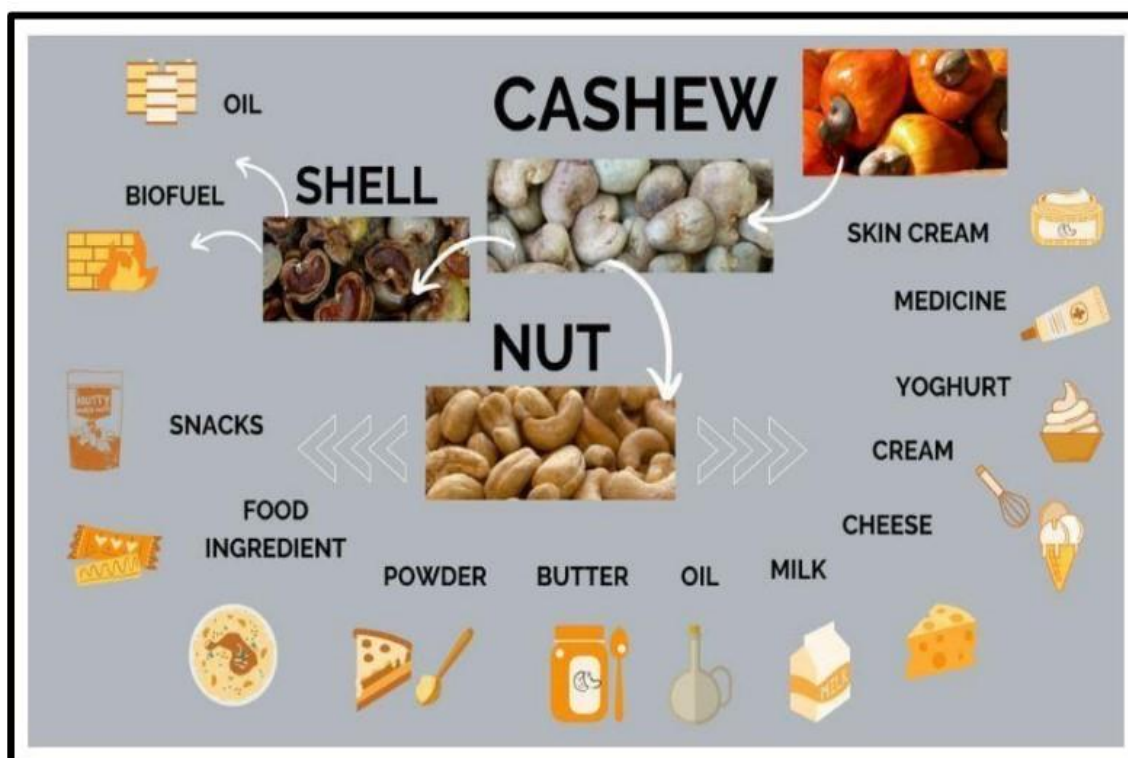
- Keeps the Brain Healthy and enhances its functionality
- Improve Heart Functioning
- Good for Preventing Cancer
- Prevent Gallstones in the body
- Treats Obesity and Helps in Weight Loss
- Helps blood flow
- Enhances Eye Health and Vision Clarity
- Keeps the Blood Healthy
- Helps treatment of Diabetes
- Catalyst for Digestion
- Keeps the Skin fresh and healthy
- Strengthen and tones Bones
- Keeps the Hair Shiny
- Keeps the Teeth and Gums healthy
- Good for Preventing Headaches

3.4 NUTRITIONAL INFORMATION

The following nutrition information is provided by the USDA for 1 ounce (28g) of raw, unsalted cashews.

1. **Calories:** 157
2. **Fat:** 12g
3. **Sodium:** 3.4mg
4. **Carbohydrates:** 8.6g
5. **Fiber:** 0.9g
6. **Sugars:** 1.7g
7. **Protein:** 5.2g
8. **Iron:** 1.9mg
9. **Magnesium:** 82.9mg
10. **Copper:** 0.6mg
11. **Manganese:** 0.5mg
12. **Vitamin B6:** 0.1mg
13. **Vitamin K:** 9.7mcg

3.5 CASHEW NUT PRODUCTS



1. Snacks

Cashew nuts are considered a healthier alternative to other savory snacks, such as crisps and extruded snacks, and more beneficial to health than peanuts in most major consuming countries. It is possible to purchase raw roasted, or cashews that have been seasoned with various savory or sweet flavourings (chili, paprika, honey, spicy and sweet and etc.).

2. Food ingredients

Moreover, Cashew nuts are also an ingredient in various foods and functional food products, such as breakfast cereals, fruit and nut bars, and chocolate products with cashew nuts. In addition, they go well as an addition to salads, smoothies, stirfries, and other dishes used to enrich the meals.

3. Cashew Milk

In the age where dairy consumption causes more and more allergies, is not suitable for vegans and other types of common diets – cashew nut products are a good dairy replacement. One of them is Cashew milk. It is a dairy-free product perfect for coffee, cereals, smoothies, soups, sauces, and more.

4. Cashew Butter

Similar to peanut butter, cashew butter contains a lot of healthy fats. It has a little high concentration of monounsaturated fat compared to peanut butter. Cashew butter contains high concentrations of iron, magnesium, vitamin B6, and calcium. The butter is usually made from raw or baked cashews, and it has a rich creamy flavour. Raw cashew butter seems to be better at retaining all the nutritional properties of the cashews after processing, so it is advisable to opt for that variant

5. Cashew Cheese

Cashew cheese can be in various forms: soft cheese to use as a bread spread or hard cheese as well. It remains purely vegan and can meet many diet requirements eaten as a healthy snack with olives and grapes or topping for sandwiches, toasts, and pizzas.

6. Cashew Cream

Cashew cream has a usual consistency of regular cream and can be added to a variety of sweet or savory dishes as a healthy vegan substitute for heavy whipping cream. Foods that use cream are ice cream, many sauces, soups, stews, puddings, and some custard bases, and is also used for cakes.

7. Cashew Yoghurt

The benefits of cashew yoghurt come from friendly probiotic bacteria and the cashews themselves. It is made from unsalted raw cashew, has lower sugar, and many health benefits.

8. Medicine

People also use the nut to make medicine. Cashew is used for stomach and intestinal (gastrointestinal) disorders. Some people apply cashew directly to the skin as a skin stimulant and to seal (cauterize) ulcers, warts, & corns

9. Cashew powder

Cashew powder is popular in gluten-free cooking and baking. It can easily replace almond flour and be used in cookies, muffins, and quick bread. Cashew flour is already sweet by nature and it doesn't have the bitterness that almonds can have.

10. Cashew oil

Cashew oil is recognized as extremely top-quality cooking oil, and it is also frequently regarded as healthier than other types of cooking oil. These types of exotic nuts are very first shelled and dried. The skins are then taken out, and the nuts are pressed to produce the oil (source).

11. Cashew skin cream

Cashews are known as acne-fighting nutrients. These nuts are high in selenium, which acts as an antioxidant with vitamin E, leaving hydrated skin and reduced inflammation. Moisturizing cream brings condition and protection to skin and hair

• CASHEW SHELL PRODUCTS

Cashew shell are also processed to ensure that no part of the raw cashew is wasted –

1. Oil

The oil is used for industrial and medical purposes. Further, the oil is useful for surface coatings, paints, varnishes, wood coating.

2. Biofuel

Cashew nut shells can provide energy in different ways and can be in solid and liquid form. When raw – it can be produced into bio-crude, known as cashew nut

3.6 MANUFACTURING PROCESS OF THE CASHEW NUT



MANUFACTURING PROCESS

Harvesting - Cashew Processing :

Cashew nuts are harvested manually by plucking the cashew apples from the trees. Harvesters carefully handle the cashew apples to avoid damaging the nuts inside. Timing is crucial, and the harvest usually takes place during the dry season when the cashew nuts are ripe.

Post-Harvest Processing: :

Cashew Apple Removal:

After harvesting, the outer shells of the cashew apples, known as cashew apple or drupe, are removed. This can be done manually or with the help of cashew nut fruit separators or de-husking machines. The goal is to separate the cashew nut from the fruit without causing damage to the nut kernel.

Drying:

The cashew nuts, still encased in their inner shells, are spread out in a single layer to dry. Drying is essential to reduce moisture content and prevent mold or fungal growth. This can be achieved by sun drying or using mechanical drying methods.

Roasting:

Roasting is an optional step that enhances the flavour and aroma of cashew nuts. The dried cashew nuts are subjected to controlled heat, which brings out their natural flavour and improves shelf life. Roasting can be done using specialized cashew roasting machines or ovens.

Shelling:

Shelling is the process of removing the outer shell or testa of the cashew nut to reveal the edible kernel. Cashew nuts have a unique shape, and their shells are extremely hard. Shelling can be done manually or with the help of automated cashew nut shelling machines. The objective is to crack the shell without damaging the kernel inside.

Grading and Sorting:

Grading and sorting involve categorizing cashew kernels based on their size, colour, and quality. This is typically done using specialized machinery that separates cashew kernels into different grades or categories. Grading ensures uniformity in the final product and facilitates quality control.

Packaging:

The final stage of the cashew manufacturing process is packaging. Cashew kernels are carefully packed in various packaging materials, such as vacuum-sealed bags, cans, or cartons, to maintain freshness and prevent moisture absorption. Proper packaging ensures that cashew kernels reach consumers in optimal condition.

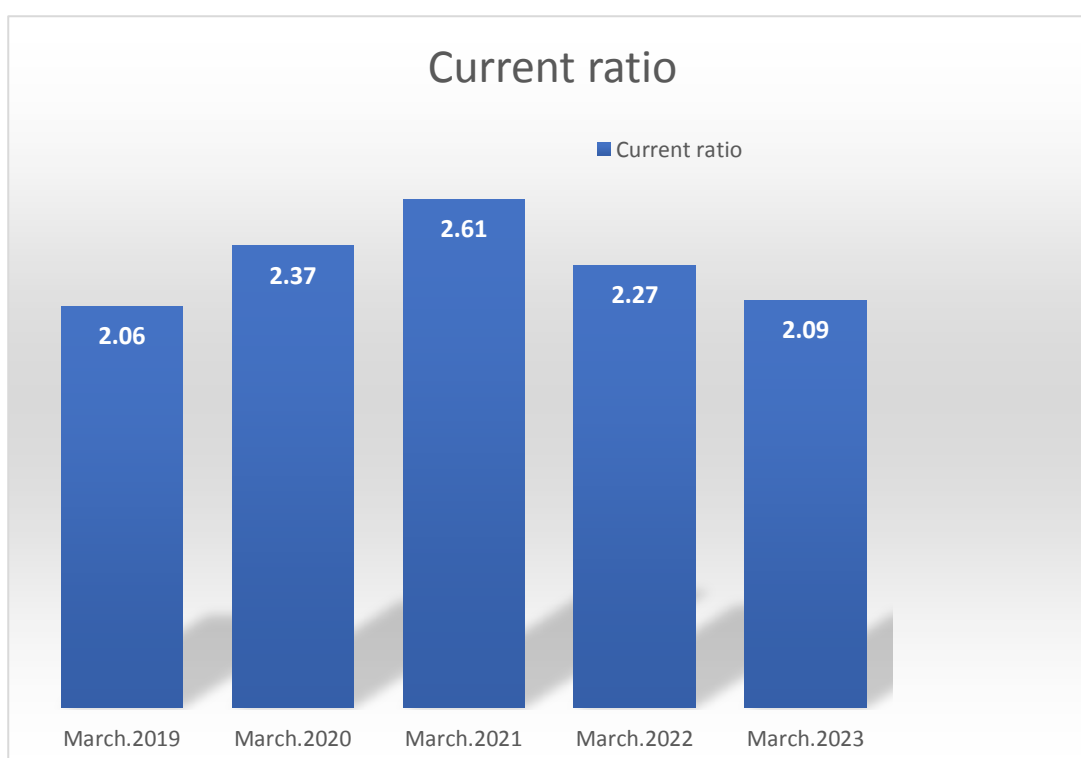
CHAPTER-IV
DATA ANALYSIS AND INTERPRETATION

RATIO ANALYSIS:

1) Current ratio=Current assets/Current liabilities

Table 4.1 showing current ratio

year	Current ratio
March.2019	$14096762.08/6856827 = 2.06$
March.2020	$11096759.58/4686049.65 = 2.37$
March.2021	$13465224.33/5161606.15 = 2.61$
March.2022	$12853893.56/5666807.82 = 2.27$
March.2023	$13120775.68/6285894.40 = 2.09$



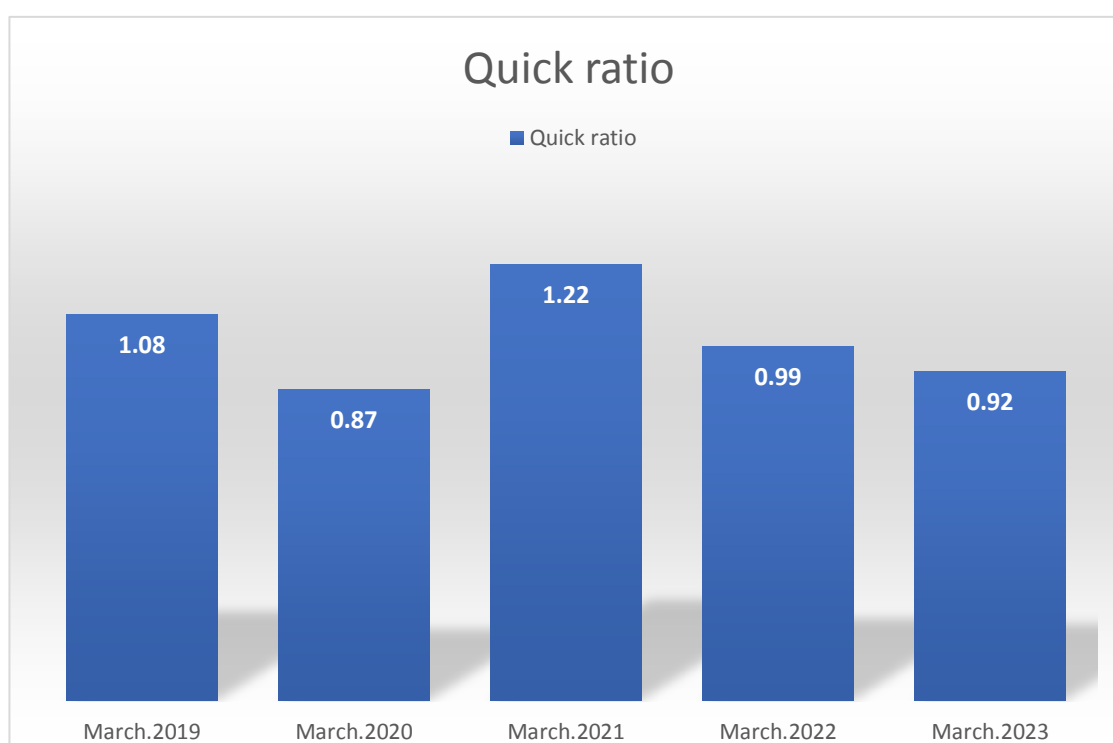
Interpretation:-

the standard norm for current ratio is 2.06 during the year 2018-19 and it has increased little bit of 2.37 in the year 2019-20 and it has increased to 2.61 in the year 2020-21 and it decreasing little bit of 2.27 & 2.09 in the year 2021-22 & 2022-23 simultaneously.

2) Quick ratio=Quick Assets/Current Liabilities

Table 4.2 showing quick ratio

year	Quick ratio
March.2019	$7396362.08/6856827= 1.08$
March.2020	$4076759.58/4686049.65= 0.87$
March.2021	$6293224.33/5161606.15= 1.22$
March.2022	$5594693.56/5666807.82= 0.99$
March.2023	$5735655.68/6285894.40= 0.92$



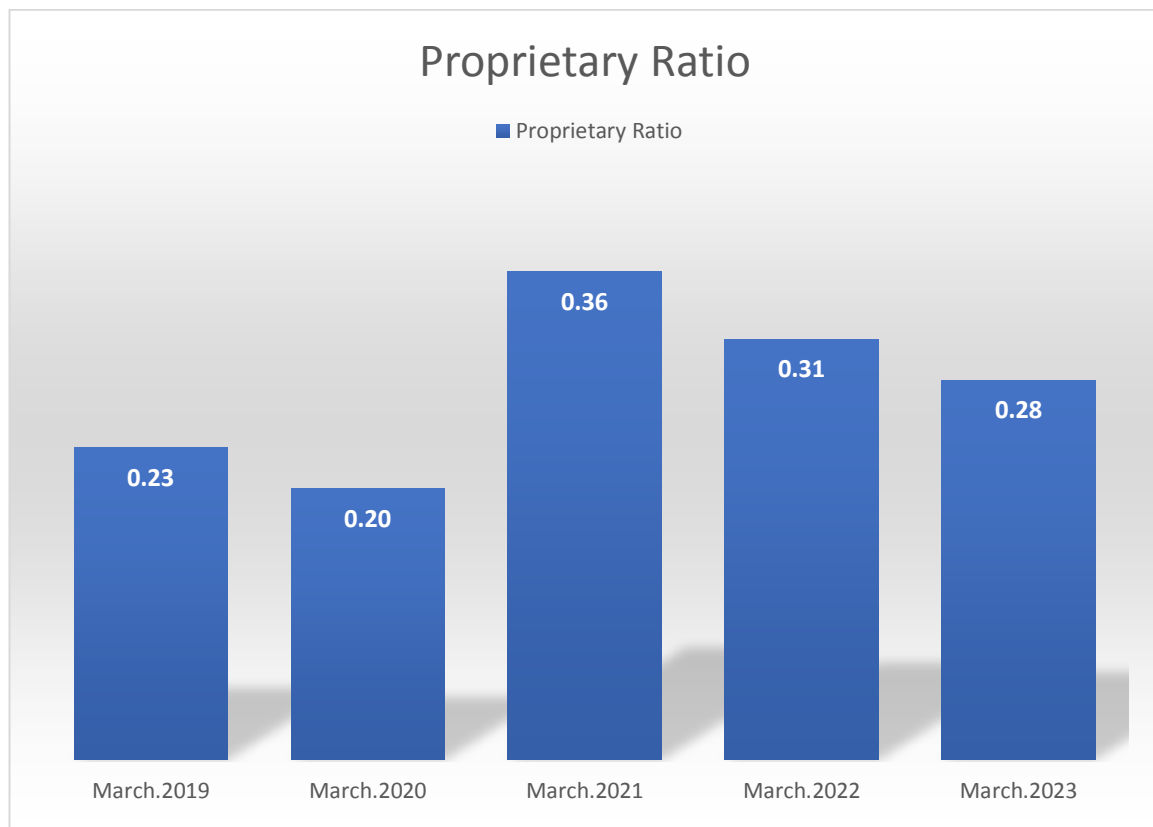
Interpretation:-

Quick ratio is also known as liquidity or acid test ratio is a type of liquidity ratio which measures the ability of a company to use its near cash or quick assets to extinguish or retire to current liability immediately and the above graph shows 1.08 in the year 2018-19 and it has decreased to 0.87 in the year 2019-20. And it has increased to 1.22 in the year 2020-21. Then in the two following years it has decreased little bit 0.99 in the year 2021-22 and 0.92 in the year 2022-23.

3) Proprietary Ratio=Share holders funds/Total assets

Table 4.3 showing proprietary ratio

Year	Proprietary Ratio
March.2019	$4401286.38/18758113.38 = 0.23$
March.2020	$3102293.90/15288343.55 = 0.20$
March.2021	$6972955.75/19634561.90 = 0.36$
March.2022	$5988446.25/19155254.07 = 0.31$
March.2023	$5311099.34/19096993.74 = 0.28$



Interpretation:-

The standard norm for proprietary ratio is 0.23 during the year 2018-19 and it has decreasing little bit to 0.20 in the year 2019-20. And it has increased 0.36 in the year 2020-21 and light fall down in the year that is 0.31 in the year 2021-22 and 0.28 in the year 2022-23. Proprietary ratio it establishes the relationship between the proprietors fund or shareholders funds and the total assets.

4) Gross profit ratio= Gross profit/ Net sales

Table 4.4 showing gross profit ratio

Year	Gross profit ratio
March.2019	0.17
March.2020	0.08
March.2021	0.08
March.2022	0.08
March.2023	0.08



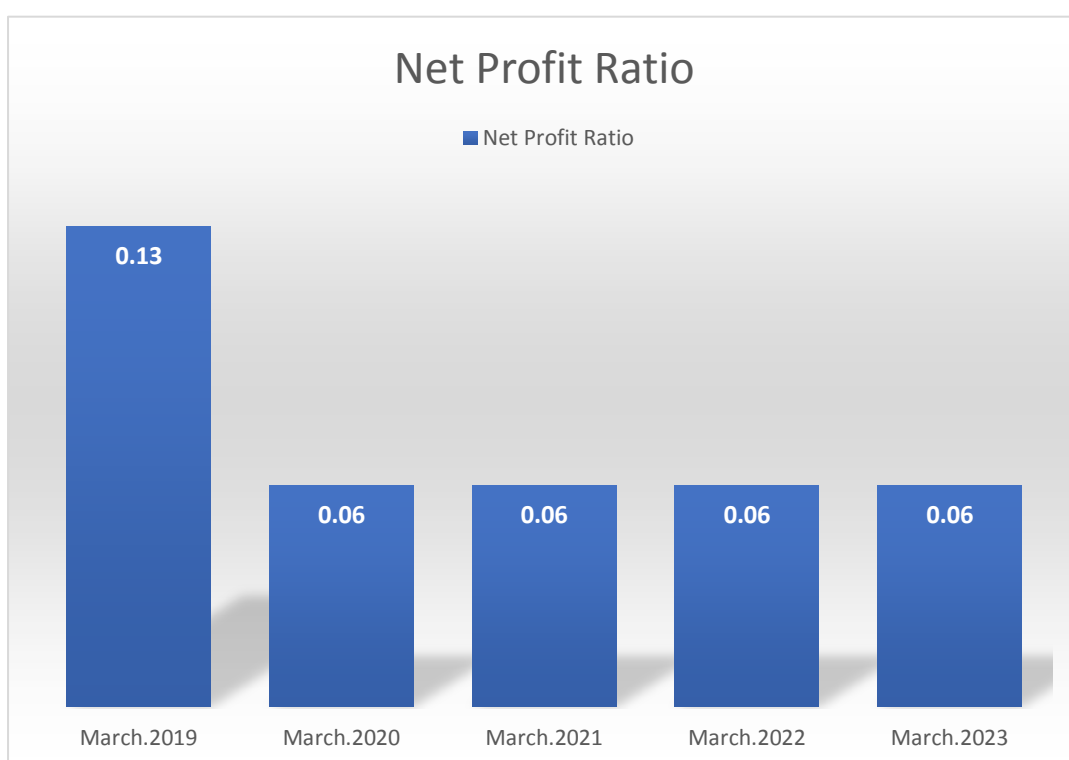
Interpretation:-

Gross profit ratio it is a profitability ratio gross profit establishes relationship between gross profit and revenue from operations in the above table increased to 0.17 in the year 2018-19. Then next year fall down 0.08 in the year 2019-20 and next three year gross profit ratio remains constant that is 0.08 in the year 2020-21, 2021-22 and 2022-23.

5) Net Profit ratio=Net profit/sales

Table 4.5 showing net profit ratio

Year	Net Profit Ratio
March.2019	$3125114.21/24415000= 0.13$
March.2020	$1701007.52/26856500= 0.06$
March.2021	$1870661.85/29542150= 0.06$
March.2022	$2015490.50/32496365=0.06$
March.2023	$2322653.08/35746001.50= 0.06$



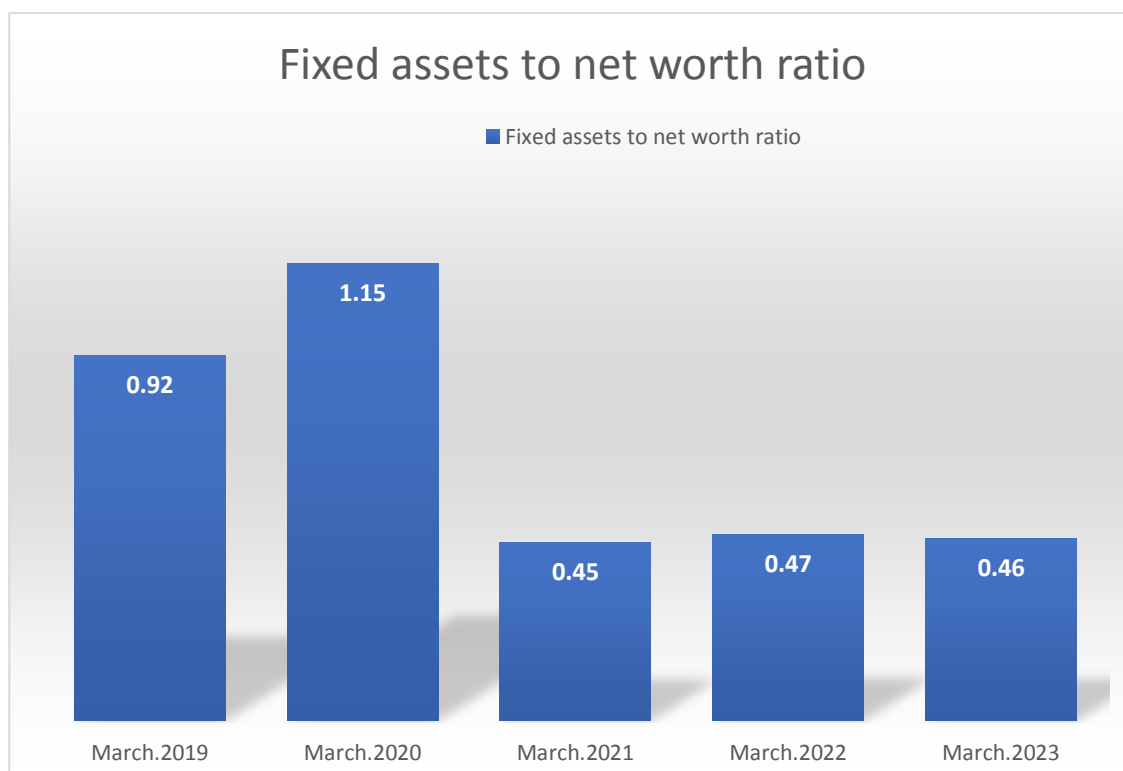
Interpretation:-

Net profit ratio is a profitability ratio. Net profit ratio relationship between net profit earned and revenue from operations. In the above table increased to 0.13 in the year 2018-19 and the fall down 0.06 in the year 2019-20. Then next three year net profit ratio remains constant is the 0.06 in the year 2020-21, 2021-22 and 2022-23.

6) Fixed assets to net worth ratio=fixed assets/total shareholders funds

Table 4.6 showing fixed assets to net worth ratio

Year	Fixed assets to net worth ratio
March.2019	$4061351.30/4401286.38=0.92$
March.2020	$3579583.97/3102293.90=1.15$
March.2021	$3157337.57/6972955.75=0.45$
March.2022	$2786960.52/5988446.25=0.47$
March.2023	$2461818.06/5311099.34=0.46$



Interpretation:-

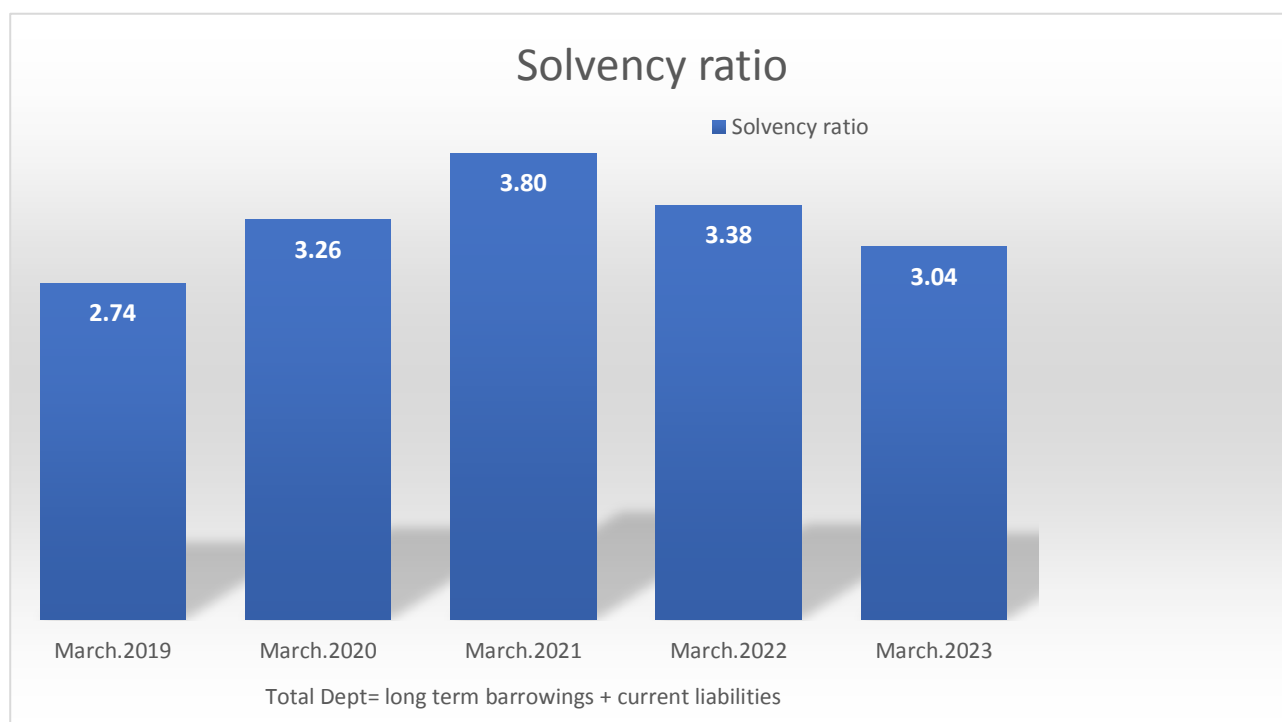
The standard norm from fixed assets to net worth ratio is 0.92 in the year 2018-19 and increasing to 1.15 in the year 2019-20. Then decreasing its value year by year 0.45 in the year 2020-21 and 0.47 in the year 2021-22 and in the year 2022-23 its showed 0.46.

7) Solvency ratio=Total Assets/Total Dept

Total Dept= long term barrowings + current liabilities

Table 4.7 showing solvency ratio

Year	Solvency ratio
March.2019	$18758113.38/6856827=2.74$
March.2020	$15288343.55/4686049.65=3.26$
March.2021	$19634561.90/5161606.15=3.80$
March.2022	$19155254.07/5666807.82=3.38$
March.2023	$19096993.74/6285894.40=3.04$



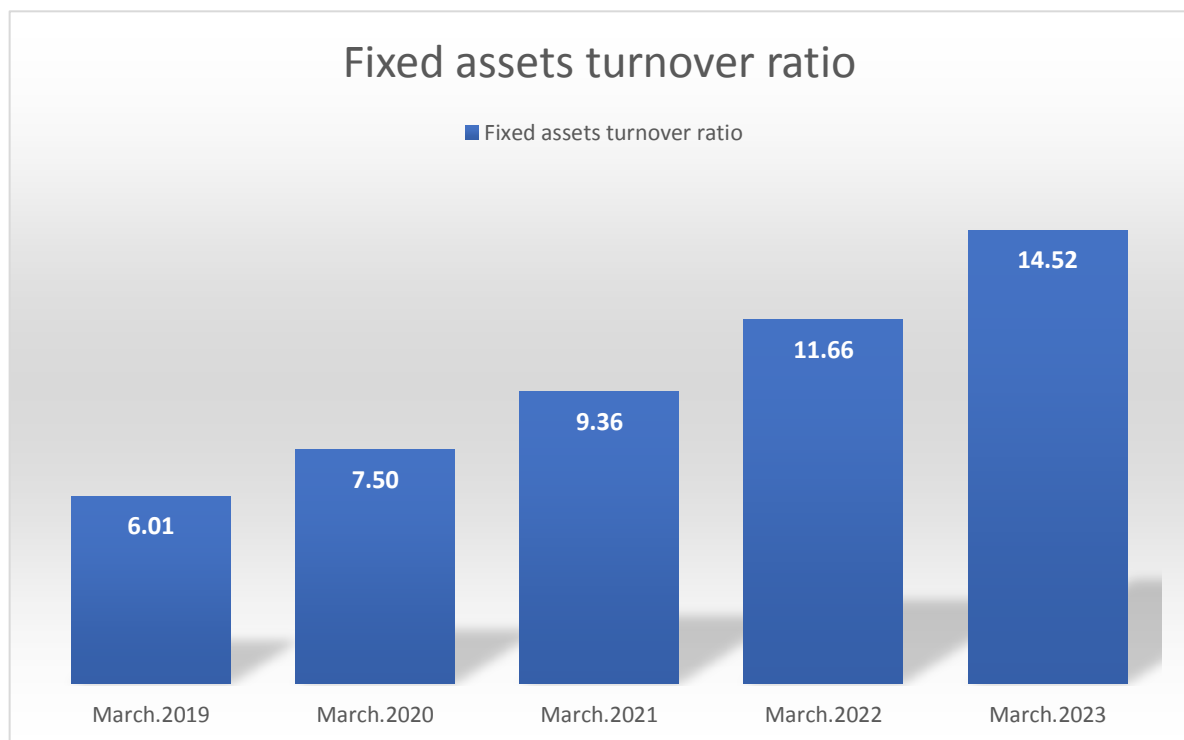
Interpretation:-

The standard norm from solvency ratio is 2.74 during the year 2018-19 and it has increased in the next following two years 3.26 in the 2019-20 and 3.80 in the 2020-21 and slight decrease in the next year 3.38 in the year 2021-22 and 3.04 in the year 2022-23.

8) Fixed assets turnover ratio=Net sales/ Net fixed assets

Table 4.8 showing fixed assets turnover ratio

Year	Fixed assets turnover ratio
March.2019	$24415000/4061351.30=6.01$
March.2020	$26856500/3579583.97=7.50$
March.2021	$29542150/3157337.57=9.36$
March.2022	$32496365/2786960.52=11.66$
March.2023	$35746001.50/2461818.06=14.52$



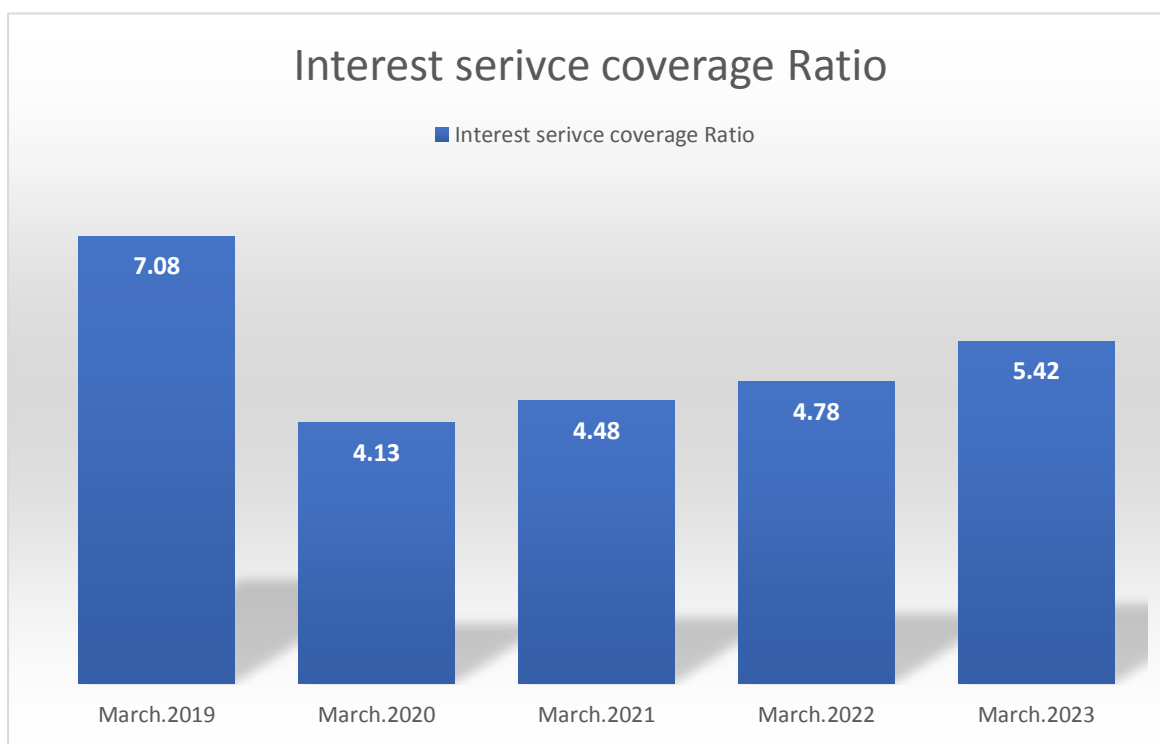
Interpretation:-

The fixed assets turnover ratio reveals how efficient a company is at generating sales from its existing fixed assets. The above graph showing 6.01 in the year 2018-19 and increasing its value year by year 7.50 in the year 2019-20 and 9.36 in the year 2020-21 and 11.66 in the year 2021-22 and 14.52 in the year 2022-23.

9)Interest Service Coverage Ratio= $\text{PBIT} / \text{interest}$

Table 4.9 showing interest service coverage ratio

Year	Interest service coverage Ratio
March.2019	$4883020.30/690000=7.08$
March.2020	$2848582.17/690000=4.13$
March.2021	$3090945.50/690000=4.48$
March.2022	$3297843.57/690000=4.78$
March.2023	$3736647.26/690000=5.42$



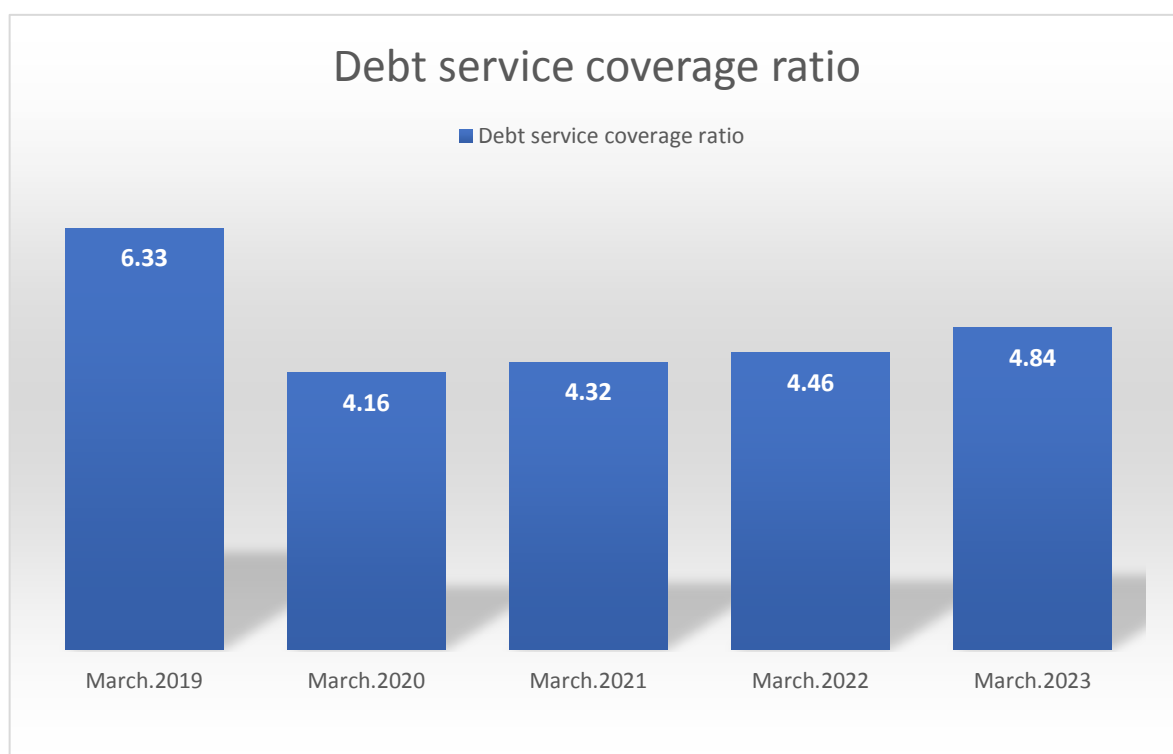
Interpretation:-

The interest coverage ratio is a financial metric that measures whether companies can pay their outstanding debts. The general rule is that the higher the ratio the better position a company has to repay its interest obligations. The above graph showing the standard norm 7.08 in the year 2018-19 and fall down 4.13 in the year 2019-20. Then increasing its year by year 4.48 in the year 2020-21 and 4.78 in the year 2021-22 and 5.42 in the year 2022-23.

10) Debt service coverage ratio(DSCR)= Net profit after tax+ Depreciation+ Interest on loan / Instalment+ Interest on loan

Table 4.10 showing debt service coverage ratio

Year	Debt service coverage ratio
March.2019	4365239.91/690000=6.33
March.2020	2872774.85/690000=4.16
March.2021	2982908.25/690000=4.32
March.2022	3075867.56/690000=4.46
March.2023	3337795.54/690000=4.84



Interpretation:-

The debt service coverage ratio is a measure of the cash flow available to pay current debt obligations. Lenders use DSCR to determine whether a business has enough net operating income to pay back loans, the above graph showing 6.33 in the year 2018-19 and decrease next to 4.16 in the year 2019-20 and little bit increase to 4.32 in the year 2020-21. Then it has increased in the next following two years 4.46 in the year 2021-22 and 4.84 in the year 2022-23.

CHAPTER -V
CONCLUSION, SUGGESTIONS

CONCLUSION

Shri laxmi enterprises is a well-known name in the industrial good industry. Based on the information presented above all while upgrading and adapting to current technology for better results. The present study is analysed the financial performance of the shri laxmi enterprises from 2018-19 to 2022-23. From this study it found that overall performance of the company.

From the above study I analyse the overall performance of the company with help of balance sheet and ratio analysis, during this study the overall performance of the shri laxmi enterprises company is GOOD.

SUGGESTIONS

We suggest shri laxmi enterprises to conduct research and development programs.

The shri laxmi enterprises should maintain the same performance in the future also.

The company must improve their profit then only can survey in future.

The company must improve the man power.

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