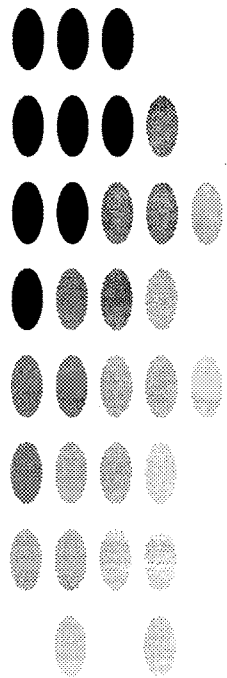


# Chapter V

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**Conclusions  
And  
Suggestion**



## Chapter V

### CONCLUSIONS AND SUGGESTIONS

#### Conclusions And Suggestions

##### Introduction

Cashew processing units plays an important role in earning foreign currency to government. India's share in total cashew export was 66% in 1999. India ranks first in cashew production in the world, and in India, Maharashtra ranks first position. As per the agriculture department of Sindhudurg, "Sindhudurg is a largest producer of cashew". However, the processing units in the districts are not in a position to take advantage of this as the processing units have not been modern and the processing has done in the traditional way. There are number of difficulties in this regards. Credit, training marketing etc are few of them

The Laxmi Vishnu and company have established in May 1987 and since then they are carrying out the activity successfully. The firm has good name in the district.

The brief review of the working of the unit reveals that:

##### Positive features-

- The capital base of the company is increasing
- The unit is earning profit year after.
- The sales are increasing
- The liquidity position is good
- Other ratios also, by and large, are favorable
- The company is taking labour welfare activities and there is no labour problem in the company.

### **Negative features-**

- The cost of production is increasing with selling price remaining constant.
- The Sales are showing increasing trend during the three years under study and it shows that the company has increased there capacity.
- The unit has to keep huge cash for cash purchase in the start of the season on one hand and wait for recovery after the end of the season on the other hand. Thus, the resources of the company are blocked up. The company had to borrow from the bank incurring expenses on interest there by reducing the profit.
- Company's current ratio shows highly satisfactory position it is above the standard norms. The Company has no sundry creditors.
- The debtor's turnover is showing increasing trend. It has gone up to 40 days in 2006.
- The company has only one buyer at Bombay and one at Malvan. This has resulted in to dependency of the company on them.

### **Suggestions**

- The company is processing company; they should therefore try to procure the material on credit.
- The company should develop market at Bombay by expanding the number of buyers.
- The company should also explore the possibility of export of cashew on trial basis.
- The company should increase the sales by contacting departmental stores, food malls for selling their product during festival season.
- Debtor turnover period shows increasing trend. Company has to take stapes for timely recovery of there receivables by this the company can save there bank interest. It indirectly adds to profits. The company should strengthen their recovery position

- The company should reduce the bank loans by taking suitable measures.
- The company should try to develop their own product (Brand) by value addition and try to market the same
- The company should develop research and training to increase the efficiency and productivity.
- The company should review the manpower requirement and reduce the same if necessary.

**Conclusion:**

The company is well-established and earned reputation in the market. They are well experienced in the line and there is an opportunity to increase the business by implementing the suggestions given above after careful consideration.