



**Goa University
Goa Business School
MBA – 4th semester**

**Project Report
On**



**By: Sitara Janbaz
Mentor: Professor Nilesh Borde**

09/05/2022



Monday, May 9, 2022

SUB: INTERNSHIP COMPLETION LETTER

We are glad to inform you that Miss. Sitara Janbaz from MBA Finance Goa Business School Goa University, has successfully completed her internship at CAVIAR CLASSIC LAND SEAFOOD CANNING. From 10th January, 2022 - 8th May, 2022, 16 weeks of internship.

During this internship, she has successfully completed her project on two years of Financial Statements of our company.

We found her extremely inquisitive and hardworking, she was very much interested to learn the functions of our core division and also willing to put her best efforts and get in to the depth of the subject to understand it better. Her association with us was very fruitful and we wish her all the best in her future endeavors.

Authorized Signatory

Human resource department

CAVIAR CLASSIC LAND SEA FOOD CANNING
AL QUOZ, P.O BOX: 393241, DUBAI, UAE | TEL: +971 4 347 3845 | FAX: +971 4 347 4741

Letter of Declaration

This is to certify that the internship report titled “**Project on Caviar Classic Land**” has been done and submitted as the requirement of Masters of Business Administration (MBA) with major in Finance Management from Goa Business School, Goa University carried out by Sitara Janbaz Roll No2066 under supervision of Professor Nilesh Borde. This report is free from any plagiarism.

Sitara Janbaz
08/05/2022

ACKNOWLEDGEMENTS

Firstly praise and thanks to “ALLAH” Almighty, the one testing us all at all times and making decisions about what we don’t know and can’t know. The report being submitted today is a result of my effort with innumerable helping hands behind who have guided me on my way.

Secondly, words are inadequate in offering thanks to my respected mentor but I owe my profound gratitude to Professor Nelish Bonde for stimulating my abilities by assigning this project to me and for his able guidance and useful suggestions, which helped me in completing the project in time.

Whatever I have learnt from his and this project report has put indelible impression on my mind and it is my conviction that this learning experience will always be a source of help in my practical life and professional career.

Finally, yet importantly, I would like to express my heartfelt thanks to my beloved parents, for cooperation, help, kindness and blessings. I am highly grateful to my family and friends for their help and wishes for the successful completion of the work.

Writing this report appeared to be a great experience to me. It added a lot to my knowledge.

Executive Summary

Caviar Classic Land is a premium company which is the largest supplier and distributor of caviar in Dubai. Amidst all the competition in UAE, Caviar Classic Land have emerged as the top company of Caviar in Dubai, Abu Dhabi, Ajman, Fujairah, Al Ain, Sharjah, Ras Al Khaimah, Fujairah, Umm Al Quwain. One of the most elegant food on plate; Caviar encapsulates all that inculcates the Luxurious Life. Caviar is basically an unfertilized fish eggs from various sturgeon species. Caviar is a source of vitamins, minerals and contains antioxidants, including omega-3, which reduces the risk of heart disease; a repair damaged skin, and enhances skin's depth and many more. Addition, it epitomizes Quality, Cultivation and Seductiveness. Caviar Classic Land provides the finest quality of caviar in Dubai, Abu Dhabi, Ajman, Fujairah and other emirates. Their basic principle is: **BESTEST QUALITY GUARANTEED AT THE BEST PRICE**. Traditionally the term caviar refers only to roe from wild sturgeon in the Caspian and Black Seas. Caviar is actually unfertilized salt-cured fish eggs from different species of sturgeon. Real caviar is a luxury food because of its scarcity, delicacy, and taste. Caviar is a source of vitamins and minerals, including omega 3, which helps to promote a healthy nervous, circulatory, and immune system. One serving of caviar has an adult's daily requirement of Vitamin B12. Other nutrients included are vitamins A, E, B6, Iron, Magnesium, and Selenium.

The report which is based on the financial analysis of Caviar Classic Land By going through all the financial statements it is known that overall Caviar Classic Land is working so well by their last records. Along with this by going through the financial ratio analysis the facts were that Caviar Classic Land is very much competitive and profitable in the market. This is analyzed through financial analysis that Caviar Classic Land is working so efficiently and effectively and is coming up with new features and advanced technology that others are not using. In the report history of the company, SWOT analysis, financial statements, financial ratios, financial ratio analysis, cash budget and finally the report is concluded and recommendations are given at the end.

This report also includes the overall information about the company about their products and working methodology. In this report all the analysis of the financial statements of Caviar Classic Land is properly explained with detail information and interpretation.

At the end of the report you will find out the list of findings from this project along with the recommendation suggested to the company and learning gained.

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Introduction

As the requirement of fourth semester of Master of Business Administrations (MBA program in Goa Business School Goa University, every student from each departments have to go for internship based on their specializations. Then giving two interim reports and one final report about their activities and the projects they want to implement there in the respective companies.

Based on above argument I was assigned in a sea food canning company by the name of CAVIAR Classic Land headquarters in Dubai, United Arab Emirate, which are the largest supplier and distributor of there.

Due to the COVID pandemic I started doing online internship there, as corporate accountant. Daily we meet through zoom meeting. The director manager of the company Mr. Hanif Karimi mostly holds the meetings and gives as the tasks and projects to work on. At the end of each week we present the project reports to him.

It is an extremely great opportunity for me to work with them and learn from them. A long with this, using my MBA knowledge which I learnt in Goa University by our experienced professors for improving the company and its performances are a great pleasure.

In this project which is about financial statement analysis of Caviar Classic Land. I included the overall information about the company and the analysis and works I have done. The company is well reputed in the market and deal in a very wide range of food products. Also Caviar Classic Land, is a very, well-known brand now they have started its' business life with only one product and that was caviar. And now it has captured everyone's mind for its tempting products. The company has strong marketing strategies to come up with in a competitive market. It has targeted all of its customers no matter they are of what age. The profit that the company earns and the balance it has kept between its assets and liabilities is also easily understandable after going through its financial statements. The company is running its business so well. And that is why it never loses its value also it's the reason why it has many loyal employees to work with.

So here in my project I have done ratio analysis on two years financial statements of the company and the results are mentioned with interpretations.

About Company

The Caviar Classic Land Company was established in 2000 and is considered to be the main dealer and supplier of Caviar in the region, headquarters Dubai, United Arab Emirate. Marc Farshidi, is the CEO and Managing Director of the company.

Our Extensive client list includes local customers from the first Class Hotels Airlines, Duty Free Shops, Restaurants and Catering Companies.

Today our business has expanded in a better direction and we operate worldwide, spanning across Europe, American Middle East and Far East. The basic reason for the success and acceptance of our products are the care and attention that we bring to everything we do.

From the most modern facilities for Caviar re-packing in the Middle East to the excellent storage and distribution methods, we apply all in accordance with the strict EEC regulations. We are a HACCP certified company and have EU approval for exporting to Europe.



Since Caviar Classic Land was launched in 2000 with a unique range of exotic Caviar, it has grown steadily in reputation supported by an efficient retail and wholesale distribution network. Each Caviar Classic product is sheer luxury for taste buds.

It is our philosophy that makes every Caviar Classic product a fine example of care and attention. Our Sturgeon Beluga farm is stretched around 573 square kilometers filled with ecological and natural water with free flow which provides best environment.

Mission

Our purpose is to continue to cater to the special requests and unique needs of our clientele with unparalleled quality in both fresh and frozen seafood. We maintain our premium standards as the leading seafood supplier across the UAE. We are driven to provide our clients with the best range, including an unmatched freshness, rich flavor, and simply beautiful product line.

Vision

we aim to continue to provide our valued clientele a premium range of the most excellent seafood. Our goal is to expand upon our operations while continuing to deliver on our incredible service standard. Our services adhere to stringent standards and regulatory practices with a special focus on extending our international reach.

Products & Services:

In our production center, we practice traditional Russian and Iranian processing methods supported by advanced European technology.

Each roe of classic caviar comes of fresh farm sturgeon. The processed egg size is over 2.8mm prepared with 15 steps of treatment in strict compliance with advanced international food processing standard.

It's our philosophy that makes every caviar classic land product, a fine example of care and attention. Employing a force of cover 26 skilled personnel, utilizing state-of-the-art-chicaneries (including packaging facilities specially devised for seafood & caviar repacking) to produce the highest quality of different products.

Products are:

Blini are feathery light, wonderfully yeasty pancakes that hail from Russia but have found their way to Paris and beyond. Served with red caviar, smoked salmon or simply sour cream and dill, they make a spectacular starter for a festive meal.

SALMON ROE SAFFRON

Beluga caviar is caviar consisting of the roe (or eggs) of the beluga sturgeon *Huso huso*. They are mainly found in the Caspian Sea. It is the largest saltwater lake in the world, which is bordered by Iran, Azerbaijan, Kazakhstan, Russia and Turkmenistan. It can also be found in the Black Sea basin and occasionally in the Adriatic Sea.

Smoked Salmon Products

Caviar classic land manufacturing plant retail and wholesale operation includes the biggest and most advanced salmon smoking facility in which we smoke different varieties of salmon fish and other related products.

In our manufacturing plant in al-quoz (Dubai) we daily produce an estimated quantity of 1 metric ton of smoked salmon to supply the first-class hotels like Jumeirah group of hotels, atlantics, Hilton, Sheraton, intercontinental and almost all 7 star & 5 start hotels in UAE. We are also supplying to catering division of emirates flight catering, air India and Singapore airlines.

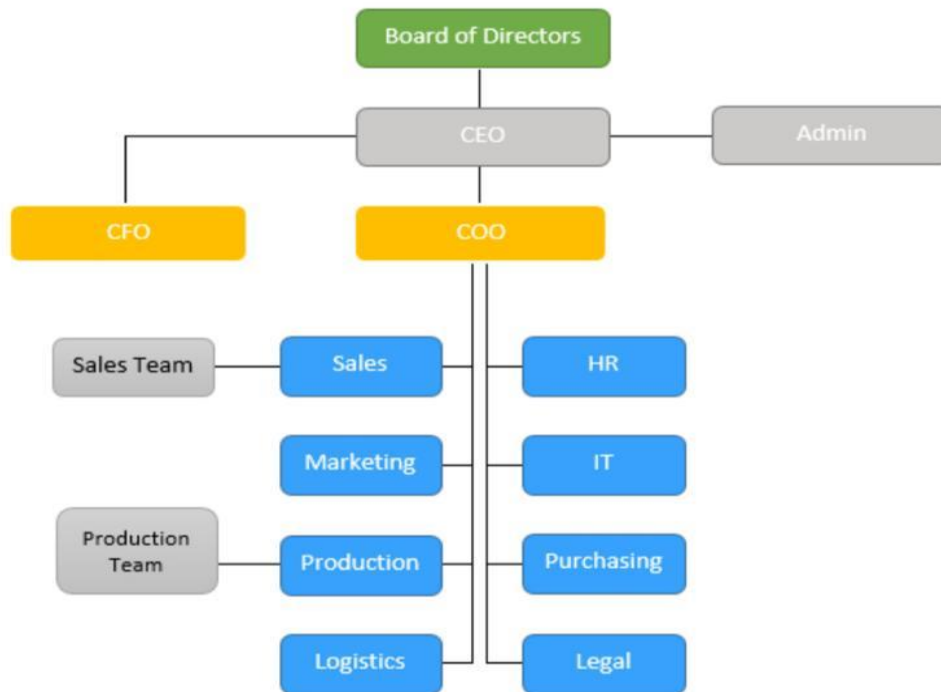


Our Extensive client list includes local customers from the first Class Hotels Airlines, Duty Free Shops, Restaurants and Catering Companies. Today our business has expanded in a better direction and we operate worldwide, spanning across Europe, American Middle East

Organization Structure

Caviar Classic Land has team-based organizational structure with employee's organized daily bass's operations. To Increases productivity, performance, Allows for a quicker response to industry changes

or customer needs & Promotes independence, autonomy, and a customized approach. Divisions are separated by product line focusing more on problem solving, cooperation, and giving employees more control. It belongs to the Food Industry. The term food industries covers a series of industrial activities directed at the production, distribution, processing, conversion, preparation, preservation, transport, certification and packaging of foodstuffs. Many food industries depend almost entirely on local agriculture, produce, or fishing. It is also an HACCP certified company. Hazard analysis critical control point is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product. Departments: Caviar Classic Land is operating with 27 experienced staff in all sectors, and departments are including finance as follow;



PESTEL ANALYSIS

The PESTEL terms include the political, economic, socio-culture, environmental and legal aspects from by which the company influenced. The growth or the progress of the particular sector or the industry is depends upon these factors. These factors are important because these factors are bound with each and every aspect of the society internally as well as externally.

As this industry is a consumer-oriented market. On one side the consumer wishes for increasingly personalized products and services and on the other side, sustainability of products and production systems also play a major role.

Political Factors

Political aspect means the aspect which includes the government intervention in the particular sector or the for the company it is basically a political environment under which the company have to perform in well manner to achieve the stability and target goals in sector under which the business is running. This political aspect includes, taxation policy by which government decides the various tax implication on the company it includes the import and export regulation and other point which can be helpful for the growth of the company. The next important aspect in the political factor is of international trade regulations in which the government and various special ministry decides the various rules and regulations regarding the international trade done by the company.

As an entire country, the United Arab Emirates certainly has a few different political factors that effect on Caviar Classic Land. These include the following:

- Each of the 7 Emirates themselves have individual governmental organizations, allowing for flexible management across the country.
- The UAE has healthy trade relations with many countries across the globe.

Government stability

UAE is among the most stable governments in the Middle East region. It is forecasted that the government will remain stable for several years. This is very useful for Caviar Classic Land, because any changes pass by government directly impacts the relationship between the firm and its customers, suppliers, and other companies. Additionally by stable government they get the permits and the licenses to operate in regions and states, they invest a lot of money in setting up facilities. Further, even during the process of acquiring land and other assets, they need the cooperation of the government to facilitate the same. Although there is a high likelihood of power transfer shortly, the exercise is expected to be seamless. The UAE is a constitutional monarchy and, therefore, it is expected that the crown prince will smoothly take power from the current ailing ruler.

Tax policies

Dubai is an island with literally no production of its own. Apart from oil, everything else in Dubai has been imported. Most of these imports are also exempt from taxation. Caviar Classic Land is free from tax in Dubai but whatever they import from outside are taxable.

Wide Regulation

Governments across the world have expansive regulatory frameworks for every aspect of the food industry. This includes the cleanliness of commercial kitchens, the standards for storing and transporting produce, and even the requirements for labourers in the food business. Without a doubt, this makes the food industry one of the most tightly-regulated industries of all. On the plus side, this ensures that consumers aren't exposed to poor quality nutrition, but the complexities of regulation certainly take away from the margins of the food business

Many analysts argue that the political freedom in the UAE is very limited. Though limited elections are held for federal advisory bodies, political parties are banned, and all electoral candidates must run as independents. The civil liberties for both nationals and foreigners are restricted as well. The ultimate power rests with the seven hereditary rulers.

1-Passed a law on food safety

2-Introduced National Food Accreditation and Registration System

3-Launched the National Rapid Alert System for Food

4-Applied control of imported food for non-trading purposes

Federal law on food safety

In January 2016, H. H. Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE approved the Federal Law No. 10 of 2015 on Food Safety (PDF, 250 KB). The law imposes standards and regulations for

maintaining the safety and quality of food and ensuring the protection of public health and consumers. The law imposes strict penalties on those found to be endangering food safety across the UAE. Some aspects of the food law are:

- No food may be imported into the country for the first time without approval of Ministry of Climate Change and Environment.
- Those dealing in food or products that contain pork or alcohol or any of their by-products without permission face a prison term of not less than a month and a fine of up to AED 500,000.
- Misleading consumers by publishing a false description of food or using incorrect labels will attract a fine ranging from AED 10,000 to 100,000.

The law authorises Ministry of Economy to impose fines of up to AED 100,000 for other offences, provided that these offences are regulated by the Cabinet. Through its National Food Safety Committee, the Ministry of Climate Change & Environment works with its partners on implementing the law on safety of food and its executive regulations, which includes strict controls and standards to ensure food safety throughout the food chain.

Safety Standards

An important point for Caviar Classic Land as touched upon in the Political section of this PESTLE analysis is high standards for safety matters. In particular, there are scores of rules in every country on how food should be transported, stored, and prepared — including directions on what temperatures various food types can reach, how they should be cleaned, and so on. While this is indeed largely a Political issue, it becomes a Legal matter if any of these regulations are ever breached. As such, those in the food business need to be extremely careful to ensure that they stay within the bounds of these rules to prevent costly lawsuits.

Economic Factors

The growth and the stability of a particular company is depends on the economic conditions of the country. It may be nation economy or international economy. Various factors are responsible for the change in the economic conditions and with the change in these factors many times the company also got affected if the economic condition is very unstable in the nature the business may get affected from it as many times the business strategy got affected by this. The economic aspect of PESTLE analysis includes market trends, inflation rate, demand and supply of the particular commodity and globalization. If these factors are in unstable in nature the company may face the tremendous loss. With the change in the economic conditions a company should change its policy accordingly and to sustain in the depression period a detail research and survey should be done by the particular country. A country's economy is always one of the particularly relevant factors when looking at its standings.

Here are some of the economic variables affecting the Caviar Classic Land circumstances:

The caviar classic land with affordability being a major factor, providing quality foods for all in a market where the prices of the raw materials keep fluctuating due to various political and environmental factors is a major challenge. The cost of the raw materials for caviar classic land has been increasing, with trade wars continuing between China and the US creating further unrest between suppliers. The lower rise in disposable incomes, posed by the difficulty of producing and supplying quality food for the same price is a major hurdle. With deflationary period continuing across Western Europe, there was a 0.7% decline in pricing. Such situations are common when the rate of the exchange rate of currency drops or increases or there is some political unrest in the region caviar classic land has taken various initiatives to promote local-level production of raw materials to increase the efficiency of the various agricultural sectors across its countries of operation. With the

US and China being its major markets, improved economic activity in this region WILL LEAD TO BETTER PERFORMANCE AS WELL AS HIGHER SALES AND PROFITS.

- Along with this, the UAE has an exceptionally high GDP per capital, as mentioned previously.
- The United Arab Emirates also has a very low unemployment rate
- This country also has one of the highest amounts of foreign direct investment in the region.

The UAE's economy has previously depended on hydrocarbons to get revenues for major government projects. As such, the fall in oil prices has highly affected the UAE's GDP. Experts predict that the weak UAE's GDP will be prolonged for several years.

With affordability being a major factor, providing quality foods for all in a market where the prices of the raw materials keep fluctuating due to various political and environmental factors is a major challenge. The cost of the raw materials for Caviar Classic Land has been increasing, with trade wars continuing between China and the US creating further unrest between suppliers. The lower rise in disposable incomes, posed by the difficulty of producing and supplying quality food for the same price is a major hurdle. With deflationary period continuing across Western Europe, there was a 0.7% decline in pricing. Such situations are common when the rate of the exchange rate of currency drops or increases or there is some political unrest in the region. Caviar Classic Land has taken various initiatives to promote local-level production of raw materials to increase the efficiency of the various agricultural sectors across its countries of operation. With the US and China being its major markets, improved economic activity in this region will lead to better performance as well as higher sales and profits.

Social factors

The social factors with regard to the United Arab Emirates are interesting, to say the least which affect the company. Some of these include:

- The inhabitants of the UAE typically live comfortable lifestyles thanks to their well-paying jobs.
- Globalization is gradually resulting in a mix of many different cultures within the Emirates.
- Religion is an important matter in the area, which greatly affects society. An example of this is the specific clothing which native women are expected to wear.
- Luxurious lifestyles characterize the Emirati society, where owning lavish products reflect people's personality, social image, and social positions. Family members and peers influence personal purchase decisions.

Any company that works on such a large scale gets affected by even the slightest change in trends created by the consumers. Working towards trends related to improved health, the group has decided to work on products with low sugar, sodium, and saturated fats. The Group has policies, processes, controls and regular monitoring systems that ensure high quality products thus preventing health risks arising from handling, preparation, and storage throughout their value chain. The success of the Caviar Classic Land depends on their ability to anticipate the needs of the customer, and be able to offer high quality, competitive, relevant and innovative product. In context to growing awareness among the millennial generation regarding sustainability, the group has inaugurated the largest ground-mounted solar plant in UAE. With increasing concerns regarding the consumption of canned and precooked food, the company has strived to eradicate these beliefs by investing into research and development, so that a scientific basis can be created through which the public can be convinced. In context to satisfying the growing customer demand, the group decided to roll out custom made caviar in the market. With continuous efforts like these to keep everything and everyone covered, Caviar Classic Land is working towards a brighter, more profitable and innovative future.

Furthermore, it is worth noting that equity in wealth distribution is yet to be achieved since the ruling family and a few business people control most of the UAE's wealth.

The number of Emiratis seeking higher education is on a steady increase. Additionally, the UAE government continues to make higher education accessible. As such, recent developments in the education sector are apparent in social transformation.

Expatriate workers in the UAE are a major concern in national identity and social demographics. According to recent surveys, foreign workers make a considerable contribution to the UAE's national workforce and consequently result in disproportionate population demographics. As such, labour markets are likely to be subjected to new regulations aimed at regaining national identity.

Technological factors

In today's world, technological variables are more prominent than ever. With the United Arab Emirates' wealth and middle-aged population, technology shouldn't be a problem — but in more depth, here are the technological factors affecting the UAE:

- The relatively young population is very tech-savvy, which allows companies all across the UAE to leverage technology.
- The wealth that this country possesses allows it to purchase new equipment and be in the vanguard of technological development.

Technological factors are key players in the running of the business in the UAE. It is worth noting that the UAE is a major importer of new technological devices, and it adopts discoveries and innovations. Globally, technologies are dynamic and, consequently, some gadgets become obsolete relatively fast. The Caviar Classic Land believes in the integration of digital solutions, services, and models, both internal and external. With increasing cyber-attacks disrupting the reliability, security, and privacy of data, a contingency plan needs to be developed to avoid major mishaps while trying to expand into the digital segment. With real-time data being proposed for water quality, the company has invested in a start-up to turn this dream into reality. With real-time data of its water use, its operations will become more efficient in terms of water consumption. With trials undertaken in using block chain for better transparency between the consumers and the group's supply chain, Caviar Classic Land is willing to change the way the game is being played. Implementation of various portals, to check the nutritional information of its various products, Caviar Classic Land has partnered with various governments.

Automation

We're seeing various types of automation more and more in Caviar Classic Land. Perhaps the best example is the use of self-checkout screens at fast food venues, but it's not the only one! Just recently, social media platforms went crazy as viral footage of a hotel's robot cooking up omelettes began to spread. As we find more ways to use technology — including robots — in the food industry, there will be less need for labourers. Overall, this is a good thing for the industry, as it will allow businesses to improve profitability and reduce the likelihood of human error. Therefore the Caviar Classic Land is also working on replacing the man force to robots.

Having the latest technology brings exciting possibilities for your business. Our customized financing solutions enable you to acquire and implement new technology with a minimal upfront investment.

With affordable payments made over time, our financing solutions make budgeting for technology easier. You get all the benefits from the use of technology, while the assets in effect pay for themselves over time — all without using your capital or existing credit lines.

Legal Factors:

In the case of a country, there's little sense in discussing the legal factors that affect it as a whole (as opposed to the laws affecting those inside), because there simply aren't any. Instead, international

repercussions resulting from malpractice (for example) are rather 'political' factors, and as such have already been listed above.

The sharia laws predominantly inform business laws and regulations in the UAE. Expatriates and non-Muslims must respect Islam. For instance, they should desist from blasphemy against Islam. Additionally, unearned income, taking food/drinks and smoking (in the presence of Muslims) should be avoided during Ramadan. Also, restaurants remain closed during the daytime in Ramadan.

However, it is worth noting that freedom of worship is guaranteed in the UAE constitution. Non-Muslims are not obligated to practise Islam and are not obligated to fast during Ramadan. Additionally, the UAE is against extremism/radicalization, and tolerant worldviews are adopted.

Therefore, the legal requirements across various countries need to be analysed and complied with accordingly. A team of experts needs to be in constant check for compliance related to the changes brought about. The laws related to health and safety of the employees, quality and hygiene of its products and labour laws established in different countries need to be followed. Apart from these, trademark and IPO rules need to be kept under constant watch, along with environmental laws. A major issue that the company has faced over the years is preventing its unique chocolate designs from other competitors.

Nonetheless, it is worth noting that controversial issues like sexual orientation may have adverse implications on foreigners, including possible arrests and prosecutions.

Business regulation' in the UAE is made in transparent and corruption-free manners. For instance, licenses are publicly available and are readily provided to qualified applicants.

The legal requirements across various countries need to be analysed and complied with accordingly. A team of experts needs to be in constant check for compliance related to the changes brought about. The laws related to health and safety of the employees, quality and hygiene of its products and labour laws established in different countries need to be followed. Apart from these, trademark and IPO rules need to be kept under constant watch, along with environmental laws. A major issue that the company has faced over the years is preventing its unique caviar designs from other competitors. Caviar classic land has been facing the heat in Dubai for supporting research for breast caviar substitutes which is proclaimed to be against the local as well as international laws.

Environmental factors

- This country has quite a hot, dry climate, which can result in many different things. For example, productivity might be slightly lower, farming is not so easy, and air conditioners have the potential to sell well.
- The UAE also finds itself near a few coastal areas, allowing for easier trade by sea.
- There is an increasing global awareness of environmental issues that are gradually changing consumers' and producers' attitudes. In the UAE, environmental awareness is gradually getting widespread, especially among consumers. As such, consumers are actively striving to reduce their impact on the environment.

Corporates, therefore, should ensure that they embrace green marketing and environmentally friendly production. Additionally, social responsibilities are a prerequisite for the success of multinationals in the UAE.

Caviar Classic Land believes in creating shared value and strives for zero environmental impact via its operations. The group's efforts to reduce the use of plastic in its products and their target to make 100% recyclable plastic in all its packaging material is a major feat towards environmental sustainability since it's one of the four major groups that are responsible for production of 6 million metric tons every year. With major countries moving towards sustainability, the need to keep a track of all these changes across its various countries of operations is primal. If any of these policy changes are missed the group faces major setbacks. This fact was evident when Caviar Classic Land was

suspended by RSPO when it failed to submit palm oil sustainability reports. Caviar Classic Land group's efforts, though not completely bleak are seen as a part of their annual review.

Porter's Five Forces

This is a tool for evolving business strategies on the basis of the nature and level of competition in an industry.

The name comes from Harvard professor Michael Porter and the "Five Forces" concept that he devised for understanding the competition in an industry and, therefore, its "attractiveness"—the ease with which profits can be made in the industry. In the other word the purpose was to assess and evaluate the competitive positioning and strengths of business organisations. The model has three horizontal competitive forces (Threat of Substitute Products or services, the threat of new entrants and rivalry among existing firms) and two vertical forces (Bargaining power of buyers and bargaining power of suppliers).

The Caviar Classic Land Porter Five (5) Forces Analysis

Application of this model can help Caviar Classic Land to determine the industry attractiveness and understand its competitive positioning in the market. The analysis can also be used to make some strategically wise decisions that could improve the performance of Caviar Classic Land and ensure long-term survival.

Threats of new entrants

Threat of new entrants reflects how new market players impose threats to the existing market players. If the industry will be profitable and barriers to enter the industry will be low, it will attract more players and hence, the threat of new entrants will be high.

The Caviar Classic Land is very viable and profitable. It has a huge and ready market which makes it very attractive. However, new entrants have to battle with long existing products from Caviar and other food companies. This makes it difficult to penetrate the market. Additionally, there are many government policies that have to be met in as far as manufacture of food products is concerned. Getting the red light from inspectoral agencies such as the FDA can be more difficult for new entrants.

Here are some factors that reduce the threat of new entrants for Caviar Classic Land:

- Entry in the industry requires substantial capital and resource investment. This force also loses the strength if product differentiation is high and customers place high importance to the unique experience.
- Caviar Classic Land will face the low threat of new entrants if existing regulatory framework imposes certain challenges to the new firms interested to enter in the market. In this case, new players will be required to fulfil strict, time consuming regulatory requirements, which may discourage some players from entering the market.
- The threat will be low if psychological switching cost for consumers is high and existing brands have established a loyal customer base.
- New entrants will be discouraged if access to the distribution channels is restricted.

Caviar Classic Land will be facing high new entrants threat if

- Existing regulations support the entry of new players.
- Consumers can easily switch the brands due to weak/no brand loyalty.
- Initial capital investment is high.
- Building a distribution network is easy for new players.
- Retaliation from the existing market players is not a discouraging factor.

How Caviar Classic Land can tackle the Threat of New Entrants?

- Caviar Classic Land can develop brand loyalty by working on customer relationship management. It will raise psychological switching costs.
- It can develop long-term contractual relationships with distributors to widen access to the target market.
- Caviar Classic Land can also an investment in research and development activities, get valuable customer data and introduce innovative products/services to set strong differentiation basis.

Threats of substitute goods

The availability of substitute products or services makes the competitive environment challenging for caviar classic land and other existing players. High substitute threat shows that customers can use alternative products/services from other industries to meet their needs. Various factors determine the intensity of this threat for caviar classic land.

There are many substitutes in as far as the food products in this market are concerned. There are other food processing companies such as Lumpfish roe and Salmon caviar which produce similar products as caviar classic land. The company has to therefore remain innovative in order to compete effectively and prevent clients from going for the substitutes. One of the ways through which caviar classic land has made its products unique is by making them healthier as compared to the other processed foods. This has made the company attract and retain the clients who are more health conscious.

Considered to be a 'luxury product', caviar owes its exclusive reputation to the fact that it is difficult to obtain sturgeon roe. And yet, there are plenty of alternatives to classical caviar. These often consist of quite different foods which offer us an opportunity to familiarize with new flavors and use some interesting new ingredients in our recipes.

Couscous "faux caviar"

It is a very affordable alternative to caviar, original and tasty, often to be seen on finger food menus. It is known as 'faux caviar'. It is obtained by preparing couscous in a way that it still has plenty of bite to it, before being flavored with a generous amount of butter and, as a second step, with sepia ink. If sufficient care is taken when adding the latter ingredient and mixing with a fork, the result looks like shiny black pearls (they can be made to look even shinier with the addition of some olive oil before serving).

Soy pearls

So-called "soy pearls" are based on the same principle. These are tiny select soy spheres which are boiled and generally sold in jars preserved in oil, or aromatised with spices, yuzu or wasabi. Of course their flavour is a far cry from that of authentic caviar and rather tasteless besides, but the "pearls" lend themselves perfectly to being used as edible garnishes. Caviar substitute that some refer to as soy pearls as well is made from a thin shell of algae which encloses soy sauce. These beads detonate flavour when you bite into them.

Snail caviar

This is in fact one of the most bizarre examples of 'alternative caviar'. Completely different from sturgeon, its flavour is earthy and reminiscent of mushrooms; it is obtained by allowing snails to mate in highly controlled environments and the resulting eggs are subjected to a meticulous selection. So much so that, at the end of the day, their cost is practically on a par with that of traditional caviar: here we are talking roughly about 1800 Euros per kilo. However, there are some varieties that are sold in little 50 gram jars (about a couple of spoonful) at 100-120 Euros (2000-2400 Euros per kilo). Besides, snail caviar targets a very up-market niche of enthusiasts who have appreciated this product ever since it was first launched in the early '80's.

The Threat of Substitute Products or services increases when;

- A cheaper substitute product/service is available from another industry
- The psychological switching costs of moving from industry to substitute products are low.
- Substitute product offers the same or even superior quality and performance as offered by caviar classic land's product.

However, this threat is substantially low for caviar classic land when;

- The switching cost of using the substitute product is high (due to high psychological costs or higher economic costs)
- Customers cannot derive the same utility (in terms of quality and performance) from substitute product as they derive from the caviar classic land's product.

How caviar classic land can tackle the Threat of Substitute Products or services?

- Caviar classic land can reduce the Threat of Substitute Products or services by clearly emphasizing how its offered product/service is better than the available substitutes.
- It should provide convincing reasons to the customers by offering a better experience and high value for money.
- It can raise switching costs by working on loyalty.
- Lastly, it can improve the quality, maximize value for money and set strong differentiation basis to discourage customers from using the substitute product.

Bargaining power of suppliers

In the food processing industry the raw materials can make all the difference in the product. Caviar Classic Land is well aware of this especially given the fact that most of its products are generated from dairy and agricultural raw materials. As a result the company maintains high standards in seeking quality suppliers and also goes to great measures in order to retain the best suppliers. Caviar Classic Land also advises its suppliers on the way to reduce wastage and work more efficiently. This has helped develop a good relationship between the company and its suppliers and reduced problems with these essential teams.

Bargaining power of suppliers in the Porter 5 force model reflects the pressure exerted by suppliers on business organisations by adopting different tactics like reducing the product availability, reducing the quality or increasing the prices. When suppliers have strong bargaining power, it costs the buyers- (business organisations). Moreover, high supplier bargaining power can increase the competition in the industry and lower the profit and growth potential for Caviar Classic Land Similarly, weak supplier power can make the industry more attractive due to high profitability and growth potential.

Bargaining power of suppliers will be high for Caviar Classic Land if:

- Suppliers have concentrated into a specific region, and their concentration is higher than their buyers.
- This force is particularly strong when the cost to switch from one supplier to other is high for buyers (for example, due to contractual relationships).
- When suppliers are few and demand for their offered product is high, it strengthens the suppliers' position against Caviar Classic Land
- Suppliers' forward integration weakens the Caviar Classic Land's position as they also become the competitors in that area.
- If Caviar Classic Land is not well educated, does not have adequate market knowledge and lacks the price sensitivity, it automatically strengthens the suppliers' position against the organisation.
- Other factors that increase the suppliers' bargaining power include-high product differentiation offered by suppliers, Caviar Classic Land making only a small proportion of suppliers' overall sales and unavailability of the substitute products.

Contrarily, the bargaining power of suppliers will be low for Caviar Classic Land if:

- Suppliers are not concentrated
- Switching costs are low
- Product lacks differentiation
- Substitute products are available
- Caviar Classic Land is highly price sensitive and has adequate market knowledge

➤ There is no threat of forward integration by suppliers.

How Caviar Classic Land can tackle the Bargaining Power of Suppliers?

Caviar Classic Land can strengthen its position against suppliers by decreasing the dependency on one or a few suppliers. It will increase its price sensitivity. Developing the long-term contractual relationships with suppliers from different regions not only lowers their bargaining power but also allows Caviar Classic Land to improve its supply chain efficiency. Finally, Caviar Classic Land can find the alternate ways of producing the product if product demand is high enough and the firm has required competencies and expertise. However, it requires detailed cost-benefit analysis to determine its feasibility. Product redesign and diversification of the product lines can also help the organisation reduce the suppliers' power in the market.

Bargaining power of buyers

The buyers have high bargaining power in a place where there are many fast-food joints, as they can choose any one of them.

The customers in the food processing industry have a lot of bargaining power. This is because of the easy access to substitute products as well as other food processing companies besides Caviar Classic Land. However, Caviar Classic Land has countered this bargaining power by constantly innovating new products that meet the demands and needs of the clients. The company has also maintained high quality production process and incorporated healthy products into its productions. This has given it popularity amongst the clients.

Bargaining power of buyers indicates the pressure that customers exert on the business organizations to get high quality products at affordable prices with excellent customer service. This force directly influences the Caviar Classic Land's ability to accomplish the business objectives. Strong bargaining power lowers profitability and makes the industry more competitive. Whereas, when buyer power is weak, it makes the industry less competitive and increases the profitability and growth opportunities for Caviar Classic Land

There are some factors that increase the bargaining power of buyers:

A more concentrated customer base increases their bargaining power against Caviar Classic Land.

Buyer power will also be high if there are few in number whereas a number of sellers (business organizations) are too many.

Low switching costs (economic and psychological) also increase the buyers' bargaining power.

In case of corporate customers, their ability to do backward integration strengthens their position in the market. Backward integration shows the buyers' ability to produce the products themselves instead of purchasing them from Caviar Classic Land

Consumers' price sensitivity, high market knowledge and purchasing standardized products in large volumes also increase the buyers' bargaining power.

Some factors that decrease the bargaining power of buyers include lower customer concentration (means the customer base is geographically dispersed), customers' inability to integrate backwards, low price sensitivity, lower market knowledge, high switching costs and purchasing customized products in small volumes.

How Caviar Classic Land can tackle the Bargaining Power of Buyers?

Caviar Classic Land can manage the bargaining power of buyers by increasing and diversifying their customer base. It can be done by introducing new products, targeting new market segments and adopting the product diversification strategies. Marketing and promotional strategies can also be helpful in this regard. Building loyalty by embedding innovation and offering excellent customer experience can raise the switching costs, which will ultimately reduce their bargaining power. Caviar Classic Land can adopt these strategies to strengthen its competitive positioning in the market.

Competitive rivalry within the industry

Competition is stiff in the food processing market and King Caviar as well as Royal Caviar is the main rivals of Caviar Classic Land. This is evident in the commercials that these companies carry out to attract clients and the constant innovations in their products. However, Caviar Classic Land has always led in the industry because of its top quality products and constant innovations. Competition has also ensured that clients have access to the best products in the world.

Caviar Classic Land has been able to carve a niche for itself in the food processing industry because it has maintained high quality products and taken into consideration changing demands of the clients. This has made it the best brand in a very competitive industry.

The Rivalry among existing firms shows the number of competitors that give tough competition to the Caviar Classic Land. High rivalry shows Caviar Classic Land can face strong pressure from the rival firms, which can limit each other's growth potential. Profitability in such industries is low as firms adopt aggressive targeting and pricing strategies against each other.

The Rivalry among existing firms will be low for Caviar Classic Land if;

- There are only a limited number of players in the market
- The industry is growing at a fast rate
- There is a clear market leader
- The products are highly differentiated, and each market player targets different sub-segments
- The economic/psychological switching costs for consumers are high.
- The exit barriers are low, which means firms can easily leave the industry without incurring huge losses.

Similarly, there are some factors that increase the Rivalry among existing firms for Caviar Classic Land. For example, the company will face intense Rivalry among existing firms if market players are strategically diverse and target the same market. The rivalry will also be intense if customers are not loyal with existing brands and it is easier to attract others' customers due to low switching costs. Competitors with equal size and offering undifferentiated products with slow industry growth tend to adopt aggressive strategies against each other. These all factors make the Rivalry among existing firms a major strategic concern for Caviar Classic Land.

How Caviar Classic Land can tackle the Rivalry among existing firms?

Caviar Classic Land should focus on the implicit needs and expectations of its customers to strengthen the differentiation basis. It should raise switching costs by developing long-term customer relationships. The organisation should also invest in research and development activities to identify new customer segments. In some cases, collaborating with competitors can be mutually beneficial. The organisation can look for this option as well.

SWOT Analysis

I used SWOT (strengths, weaknesses, opportunities, and threats) analysis to evaluate Caviar Classic Land's competitive position and developing strategic planning. By SWOT analysis we can easily assess internal and external factors, as well as current and future potential of the company.

A SWOT analysis is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of an organization, initiatives, or within its industry. The organization needs to keep the analysis accurate by avoiding pre-conceived beliefs or grey areas and instead focusing on real-life contexts. Therefore I am using SWOT analysis for assessing the performance, competition, risk, and potential of Caviar Classic Land business, as well as part of a business such as a product line or division.

The aim of SWOT is to identify the favourable and unfavourable internal and external factors to reach the goal. It is degree to which firm's internal environment matches with its external environment as strategic fit.

Strengths

By Strengths I will describe what an organization excels at and what separates it from the competition: a strong brand, loyal customer base, a strong balance sheet, unique technology, and so on.

- Caviar Classic Land considered being the main dealer and supplier of Caviar in the region, which is the biggest strength of the company.
- Today Caviar Classic Land's business has expanded in a better direction and we operate worldwide, spanning across Europe, American Middle East and Far East. The basic reason for the success and acceptance of their products are the care and attention that they bring to everything they do.
- From the most modern facilities for Caviar re-packing in the Middle East to the excellent storage and distribution methods, they apply all in accordance with the strict EEC regulations. They are a HACCP certified company and have EU approval for exporting to Europe.
- In their production center, they practice traditional Russian and Iranian processing methods supported by advanced European technology.
- Each roe of classic caviar comes of fresh farm sturgeon. The processed egg size is over 2.8mm prepared with 15 steps of treatment in strict compliance with advanced international food processing standard.
- Their philosophy is what makes every caviar classic land product, a fine example of care and attention. Employing a force of cover 26 skilled personnel, utilizing state-of-the-art-chicaneries (including packaging facilities specially devised for seafood & caviar repacking) to produce the highest quality of different products.
- Caviar classic land manufacturing plant retail and wholesale operation includes the biggest and most advanced salmon smoking facility in which we smoke different varieties of salmon fish and other related products.
- Strong employee attitudes are what add to its strengths. As Research shows a strong link between the state of the workplace, the happiness of employees, and productivity, in the middle of that chain is employee attitude when employees are happy and engaged; attitudes and productivity are more likely to be positive. The Caviar Classic Land create a wonderful environment for its employees by providing strong leadership, Line managers who motivate and empower the employees, as well as by Listening to the employee voice throughout the organisation. Every week they have a meeting with employees where they all have rights to speak and give feedbacks. That's what motivate them and encourage them to positively continue their jobs.
- Having excellent customer service is another plus point of this company. Jumeirah group of hotels, atlantics, Hilton, Sheraton, intercontinental and almost all 7 star & 5 start hotels in UAE are the regular customers of the company. Getting people in the door is a key to success. But an even bigger challenge you'll face is to keep customers coming back. A buyer who makes one purchase is likely an impulse buy or a buy from need. Buyers who make repeat purchases are customers you can serve for years to come. That's why you can't discount the benefits of good customer service. Great service makes your customers feel that you care about developing a long-term relationship that means more than just making a sale. One of the main benefits of good customer service is that it persuades people to do business with your company more than once. Repeat sales are not accidental, and without creating a positive customer experience, buyers will go elsewhere. One of the advantages of good customer service is that it creates personal connections with your target audience. When you treat buyers with kindness and respect, you develop a relationship that makes your customers reluctant to go elsewhere with their business. But the advantages of good customer service don't just stop during a transaction, whether on the phone or in person. By taking an

additional step such as sending a thank-you email after each purchase, you confirm the value of buyers regardless of the amount of their purchase.

➤ Caviar Classic Land has large market share. Simply put, market share is a key indicator of a company's competitiveness. When a company increases its market share, this can improve its profitability. This is because as companies increase in size, they too can scale, therefore offering lower prices and limiting their competitors' growth.

➤ Large distribution system – Caviar Classic Land owns an extensive and diversified distribution system that is not only penetrated in urban areas but also rural regions. It has adapted local distribution methods and decentralized approach to run the business efficiently in respective countries. Caviar Classic Land has strong relationships with retailers, vendors, and distributors.

Weaknesses

Weaknesses stop an organization from performing at its optimum level. They are areas where the business needs to improve to remain competitive: a weak brand, higher-than-average turnover, high levels of debt, an inadequate supply chain, or lack of capital.

1. **Price fluctuations by retail giants** – Caviar Classic Land grocery sales are achieved majorly through huge retail giants like king caviar, and Rlyal. Any reduction or increase in prices by these retailers can affect Caviar Classic Land sales.

2. **Span of control and organizational structure** – Caviar Classic Land is organized in a matrix structure. That means a large number of brands are under the same umbrella group which makes it somewhat challenging to manage the large Administrating such a large number of individual brands can often result in discord and conflict of interest.

3. **High price-** Caviar Classic Land products are very expensive. It's good for high class people but middle class and common people cannot afford it. It also affects its profitability and position in stock market.

4. **High Debt-** from its financial statements it's obvious that the company has huge number of liabilities or amount of debt is high which can cause them problems in the future.

Opportunities

Opportunities refer to favorable external factors that could give an organization a competitive advantage.

Opportunities are:

Venturing small food start-ups – Caviar Classic Land has a fantastic opportunity to grow the number of small food start-ups under its popular brand name. Caviar Classic Land can also collaborate with the new start-ups to promote its brand name.

Online shopping – Caviar Classic Land has a remarkable opportunity to boost its e-commerce sites and online shopping platform. A very few companies are offering online services to make the shopping experience more comfortable and pleasant. Although Caviar Classic Land has its online stores in a few countries, expanding its online services to more areas will prove a rewarding decision for the company.

Market penetration for breakfast cereals – Caviar Classic Land's pancake Blini with saffron tea market have shown fast growth in recent years. Thus, penetrating this market more would be highly lucrative for the company.

Expanding ready canning fish food the demand for canning fish is continuously on the rise, rendering a profitable opportunity for Caviar Classic Land to groom this market more.

Partnerships – Strategic alliances with other food giants are also a great opportunity for the company to increase its revenues and profits.

Authentic labelling – Caviar Classic Land has already been criticized for giving misleading nutritional information on its labels. So, there's an opportunity to improve its practices by giving trustworthy information and accurately labelling its products.

Expand through Acquisitions – In 2019, Caviar Classic Land offloaded several low-performing brands like Herta Charcuterie and is switching to acquisitions in 2020. The company's acquisition of gastrointestinal medication brand Zenpep was completed in January 2020 and it is the first of many more acquisitions slotted for 2020. Expanding portfolio with high performing SMB acquisitions offers immense opportunities for Caviar Classic Land to grow.

Refocus on Profitable Ventures – Having too many brands can stretch a company's resources to the limit and undermine overall performance. Caviar Classic Land has been grappling under the weight of too many unprofitable brands and is seeking to sell its North American water brands like Pure Life and shift focus on strengthening the best and highly profitable brands in its portfolio.

Increasing online availability: by expanding its appearance in social media and increasing its online marketing the company can attract more customers and investors and add to its success and profitability.

Threats

Threats refer to factors that have the potential to harm an organization. A threat to business is typically external. They might include company's peer companies' relative strength, an industry-wide shortage of materials needed to make your products or a sluggish economy.

Here is some threat for the company;

1. **Weather:** These affect seasonal businesses that depend on good conditions. Dubai has two kinds of weather. Hot and very hot, and keeping and storage of the foods are extremely difficult and expensive at the same time.
2. **Market demand:** Market demands for the products are changeable, and huge number of competitor in the market with different offers causes them harmful.
3. **Rising competition** – Many food canning companies like king caviar and Loyar caviar offer similar food products. It is hard for Caviar Classic Land to compete in such a situation where the **substitute products** are easily accessible.
4. **Government regulations and prices** – Government regulations can affect the business operations of Caviar Classic Land. Additionally, the increasing prices of commodities force the company to increase the prices of its products. It will lead to sales reduction as consumers can switch to other brands which are available at low costs.
5. **Economic Uncertainty** – Even though Caviar Classic Land sales increased by 4.3% and e-commerce jumped to over 10% of total sales in Q1 of 2020, the increase is attributed to panic buying catalysed by recent events. The company's revenue from commercial businesses like hotels and restaurants are threatened by economic uncertainty in the global markets and can decrease as these entities remain closed or collapse due to the crisis.

VRIO analysis

The VRIO Analysis of Caviar Classic Land will look at each of its internal resources one by one to assess whether these provide sustained competitive advantage. The Caviar Classic Land VRIO Analysis also mentions at each stage whether these resources could be improved to provide a greater competitive advantage. Lastly, the resources analysed are summarised as to whether they offer sustained competitive advantage, has an unused competitive advantage, temporary competitive advantage, competitive parity or competitive disadvantage.

Valuable

- The Caviar Classic Land VRIO Analysis shows that the financial resources of Caviar Classic Land are highly valuable as these help in investing into external opportunities that arise. These also help Caviar Classic Land in combating external threats.
- According to the VRIO Analysis of Caviar Classic Land, its local food products are a valuable resource as these are highly differentiated. This makes the perceived value for these by customers high. These are also valued more than the competition by customers due to the differentiation in these products.
- The Caviar Classic Land VRIO Analysis shows that Caviar Classic Land's employees are a valuable resource to the firm. A significant portion of the workforce is highly trained, and this leads to more productive output for the organization. The employees are also loyal, and retention levels for the organization are high. All of this translates into greater value for the end consumers of Caviar Classic Land's products.
- According to the VRIO Analysis of Caviar Classic Land, its patents are a valuable resource as these allow the firm to sell its products without competitive interference. This results in greater revenue for Caviar Classic Land. These patents also provide Caviar Classic Land with licensing revenue when it licenses these patents out to other manufacturers.
- The Caviar Classic Land VRIO Analysis shows that Caviar Classic Land's distribution network is a valuable resource. This helps it in reaching out to more and more customers. This ensures greater revenues for Caviar Classic Land. It also ensures that promotion activities translate into sales as the products are easily available.
- According to the VRIO Analysis of Caviar Classic Land, its cost structure is not a valuable resource. This is because the methods of production lead to greater costs than that of competition, which affects the overall profits of the firm. Therefore, its cost structure is a competitive disadvantage that needs to be worked on.
- The Caviar Classic Land VRIO Analysis shows that the research and development at Caviar Classic Land is not a valuable resource. This is because research and development are costing more than the benefits it provides in the form of innovation. There have been very few innovative features and breakthrough products in the past few years. Therefore, research and development are a competitive disadvantage for Caviar Classic Land. It is recommended that the research and development teams are improved, and costs are cut for these.

Rare

- The financial resources of Caviar Classic Land are found to be rare according to the VRIO Analysis of Caviar Classic Land. Strong financial resources are only possessed by a few companies in the industry.
- The local food products are found to be not rare as identified by Caviar Classic Land VRIO Analysis. These are easily provided in the market by other competitors. This means that competitors can use these resources in the same way as Caviar Classic Land and inhibit competitive advantage. This means that the local food products result in competitive parity for Caviar Classic Land. As this resource is valuable, Caviar Classic Land can still make use of this resource.
- The employees of Caviar Classic Land are a rare resource as identified by the VRIO Analysis of Caviar Classic Land. These employees are highly trained and skilled, which is not the case with employees in other firms. The better compensation and work environment ensure that these employees do not leave for other firms.
- The patents of Caviar Classic Land are a rare resource as identified by the Caviar Classic Land VRIO Analysis. These patents are not easily available and are not possessed by competitors. This allows Caviar Classic Land to use them without interference from the competition.

➤ The distribution network of Caviar Classic Land is a rare resource as identified by the VRIO Analysis of Caviar Classic Land. This is because competitors would require a lot of investment and time to come up with a better distribution network than that of Caviar Classic Land. These are also possessed by very few firms in the industry.

Imitable

➤ The financial resources of Caviar Classic Land are costly to imitate as identified by the Caviar Classic Land VRIO Analysis. These resources have been acquired by the company through prolonged profits over the years. New entrants and competitors would require similar profits for a long period of time to accumulate these amounts of financial resources.

➤ The local food products are not that costly to imitate as identified by the VRIO Analysis of Caviar Classic Land. These can be acquired by competitors as well if they invest a significant amount in research and development. These also do not require years long experience. Therefore, the local food products by Caviar Classic Land provide it with a temporary competitive advantage that competitors can too acquire in the long run.

➤ The employees of Caviar Classic Land are also not costly to imitate as identified by the Caviar Classic Land VRIO Analysis. This is because other firms can also train their employees to improve their skills. These companies can also hire employees from Caviar Classic Land by offering better compensation packages, work environment, benefits, growth opportunities etc. This makes the employees of Caviar Classic Land a resource that provides a temporary competitive advantage. Competition can acquire these in the future.

➤ The patents of Caviar Classic Land are very difficult to imitate as identified by the VRIO Analysis of Caviar Classic Land. This is because it is not legally allowed to imitate a patented product. Similar resources to be developed and getting a patent for them is also a costly process.

➤ The distribution network of Caviar Classic Land is also very costly to imitate by competition as identified by the Caviar Classic Land VRIO Analysis. This has been developed over the years gradually by Caviar Classic Land. Competitors would have to invest a significant amount if they are to imitate a similar distribution system.

Organization

➤ The financial resources of Caviar Classic Land are organized to capture value as identified by the VRIO Analysis of Caviar Classic Land. These resources are used strategically to invest in the right places; making use of opportunities and combatting threats. Therefore, these resources prove to be a source of sustained competitive advantage for Caviar Classic Land.

➤ The Patents of Caviar Classic Land are not well organized as identified by the Caviar Classic Land VRIO Analysis. This means that the organization is not using these patents to their full potential. An unused competitive advantage exists that can be changed into a sustainable competitive advantage if Caviar Classic Land starts selling patented products before the patents expire.

➤ The distribution network of Caviar Classic Land is organized as identified by the VRIO Analysis of Caviar Classic Land. Caviar Classic Land uses this network to reach out to its customers by ensuring that products are available on all of its outlets. Therefore, these resources prove to be a source of sustained competitive advantage for Caviar Classic Land.

From the VRIO Analysis of Caviar Classic Land, it was identified that the financial resources and distribution network provide a sustained competitive advantage. The patents are a source of unused competitive advantage. There exists a temporary competitive advantage for employees. There exists a competitive parity for local food products. Lastly, the cost structure of Caviar Classic Land is a competitive disadvantage. Research and Development is also a competitive disadvantage.

Project Details

Project Question:

Since practical orientation is an integral part of the MBA degree requirement, I have worked in Caviar Classic Land to take real life exposure of the activities of the organization in Dubai. My internship has started at January 10th 2022 and will be completed at May 10th 2022. The duration of my internship is four months or 16 weeks. During my internship at Caviar Classic Land I have come across with different functions of the company. This report has been originated as the course requirement of the MBA program. I hope the report will give a clear idea about the activities of Caviar Classic Land in Dubai.

While working on financial statements of the Caviar Classic Land I have faced with some kind of questions which I would like to find answers and solution to.

There are big differences in profitability of financial year 2021 with 2020 as well as 2019, as the current liabilities of the company increases from the last two years. So the questions I would like to ask and find answers are:

1- What are the reasons behind the changes in figures of financial statements of Caviar Classic Land in 2019-2020 with compare to 2020-21?

2-How the company control its liquidity problem?

3- How the ratio analysis of the Caviar Classis Land's financial statements help the investor to decide whether it is a good option to invest or not?

My roll and responsibilities in Caviar Classic Land

Within these four months I have selected as a corporate accountant in the mentioned company. My responsibilities are;

- Analyzing financial statements and results.
- Gather financial data and ledgers
- Evaluating last year's statements
- Attending online meetings
- Analyzing the audits

Project Methodology

It is the process of leading the work of a team to achieve all project goals within the given constraints. Here I used the methodology to define as a system of practices, techniques, procedures, and rules used to work in a discipline. They are essentially processes that aim to assist me with guidance throughout the project, and the steps to take to completing the tasks.

Sample Selection: For the purpose of the study company's financial statements are selected

Period of Study: The study is conducted for a period of four months or 16 weeks.

During my project I have used the bellow mentioned, most common and important methods for collecting the data;

1: **Data Collection:** The primary as well as the secondary form of information was used to prepare the report. The details of these sources are highlighted below:

(a)Primary Source: Primary data were mostly derived from the discussion with the employees of the organization. Primary research is information gathered through self-conducted research methods, while secondary research is information gathered from previously conducted studies.

I have collected primary information by interviewing employees, managers, observing various organizational procedures, structures

(b)Secondary Source: Secondary research is usually where most research begins. I have elaborated different types of secondary data in my research. Sources like internet data are mostly considered as secondary source.

This is because secondary research may provide a researcher with a basis of knowledge on what relevant information had already been compiled by other researchers in the past. Primary research fills in the subsequent gaps in information that a researcher was not able to gather through secondary research methods. The goal of primary research is to answer specific questions that directly pertain to the project at hand. This type of research is extremely valuable, yet, due to its nature, takes more time to collect than secondary research.

Objectives of the project

To determine and explore how Caviar Classic Land maintains its position in the market by having high amount of current obligations

To gain proper understanding about Caviar Classic Land users in Dubai

To know what is the reason behind changes in financial statements of this company.

To high light some implication of the study.

To know about Liquidity Position

To Know about Long- Term Solvency

To Know about Operating Efficiency

To know about Over-All Profitability

Limitations of the Study

In course of my internship I have faced many problems that may be termed as the limitations of the study. These were:

1. Could not spend sufficient time required to make an in-depth study on such an important subject because of time constraint.
2. To get the actual information have been very difficult
3. Sufficient records, publications were not available and some questions were avoided or not exactly answered by the respondents may be because of lack of clear idea.
4. Although finance experts have tried their best to help me, their nature of job is such that gives them little time to discuss.
5. Extreme work pressure restricted the officials to give us much time even if they had cordial intentions to provide information.
6. As I was the only one person, this report seriously suffered manpower constraints.
7. Secondary sources of data relating to the company are very limited as sufficient online information, publications and journals were not available. Despite all these limitations, I have given the best of my efforts and tried to make the report as informative and comprehensive as possible. However As the information is composed from limited sources; it is not possible to use different tools and techniques of statistical analysis.
8. The study is based on some assumptions.
9. Some external factors also could affect directly or indirectly to the company's performance.

Project Hypothesis

On the basis of objective, the following hypotheses have been set to investigate the financial performance of Caviar Classic Land.

H0: There is significant difference between net profit Margin of 2019-20 and 2020-21

H1: There is significant difference between current ratio of 2019-20 and 2020-21.

H2: There is no significant difference between Net Profit / Total Funds ratio of 2019-20 and 2020-21

H3: There is no significant difference between earning retention ratio of 2019-20 and 2020-21.

H4: There is no significant difference between return on net worth of 2019-20 and 2020-21

H5: There is no significant difference between dividend payout ratio of 2019-20 and 2020-21

H6: There is significant difference between debt-to-equity ratio of 2019-20 and 2020-21

H7: There is no significant difference between quick ratio of 2019-20 and 2020-21.

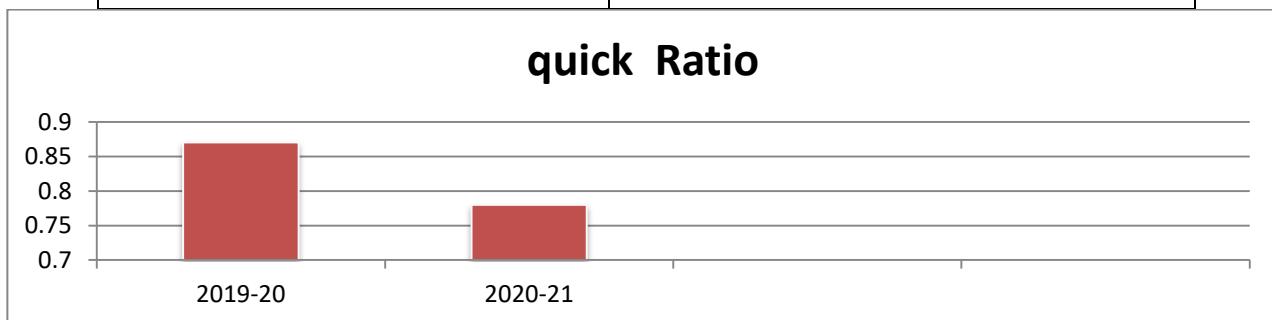
Project Data Analysis

In order to answer my project questions and finding out about the performances of the Caviar Classic Land, I am going to indicate ratio analysis of financial statements of the mentioned company. For doing this analysis I am going to take the company's last two years data (2019-20 and 2020-21) for evaluating the company's overall activities, profitability as well as position in the market. By using past data I will try to predict the company's future performances.

a- Liquidity Ratios

1- Quick Ratio

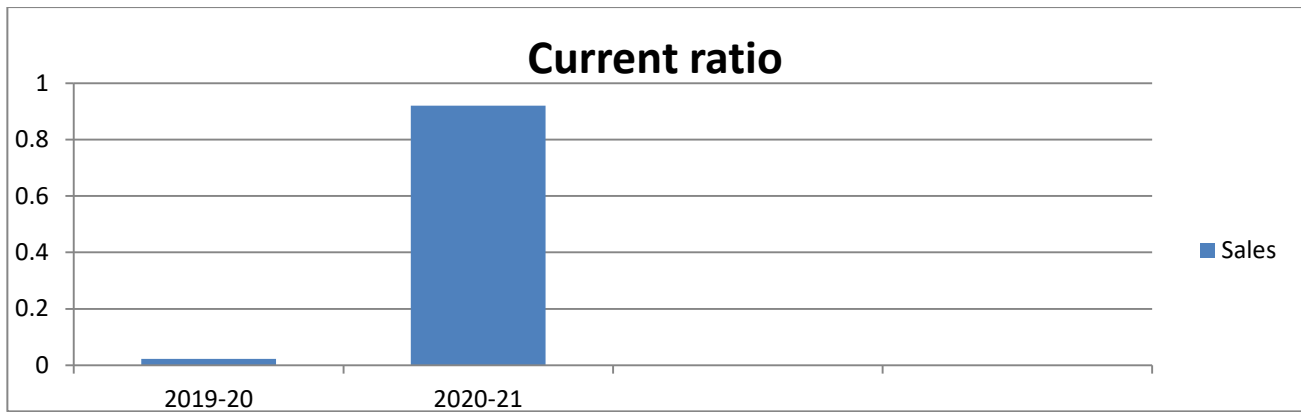
2019-20	0.871
2020-21	0.786391



Interpretation: From the above calculation of Caviar Classic Land we get that the company's result decreases 0.1% in 2021 in compare to 2020. As quick ratio is widely used by lenders and investors to gauge whether a company is a good bet for financing or investment. Potential creditors want to know whether they will get their money back if a business runs into problems, and investors want to ensure a firm can weather financial storms. The company should focus more in this part because if it decreases again that would be risky for them as the investors do not interest to invest in such kind of companies. As well as If this number declines over time or falls short of your benchmark, you may be investing too much capital in inventory or you may have taken on too much short-term debt.

2- Current ratio

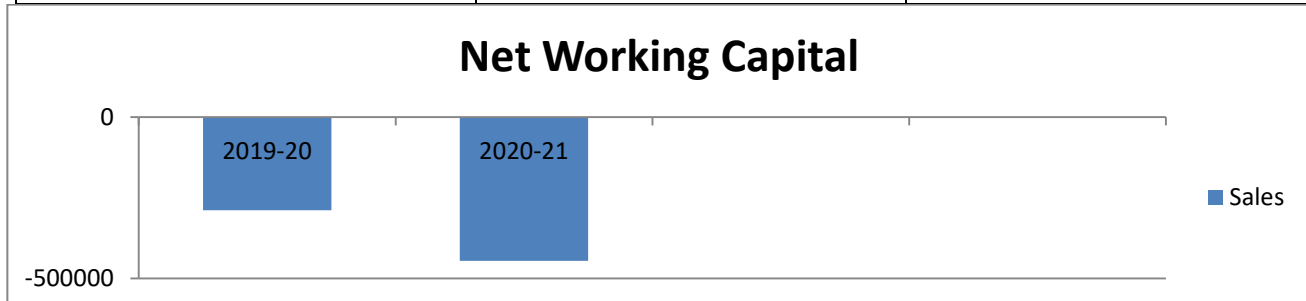
2019-20	0.022720902
2020-21	0.921016779



Interpretation: Here we can see that in both years the ratios are less than one. A current ratio of less than 1 indicates that the company may have problems meeting its short-term obligations. If inventory turns into cash much more rapidly than the accounts payable become due, then the firm's current ratio can comfortably remain less than one. If we compare both years, 2021 is much better than 2020. In 2021 it was 0.92 however it was only 0.02 in 2020. There is a very positive improvement which can attract the investors too. Furthermore, current asset should be higher for better performance so the company may take this in mind for further achievements. This number should be above 1, and it's usually a sign of strength if it exceeds 2. If this number is below 1, that means your short-term liabilities exceed your short-term assets. A liability is considered current if it is due within a year. An asset is current if it can be converted into cash within a year.

3- Net Working Capital

2019-20	5,122,961- 5,411,801	-288840
2020-21	5,200,046- 5,645,984	-445938



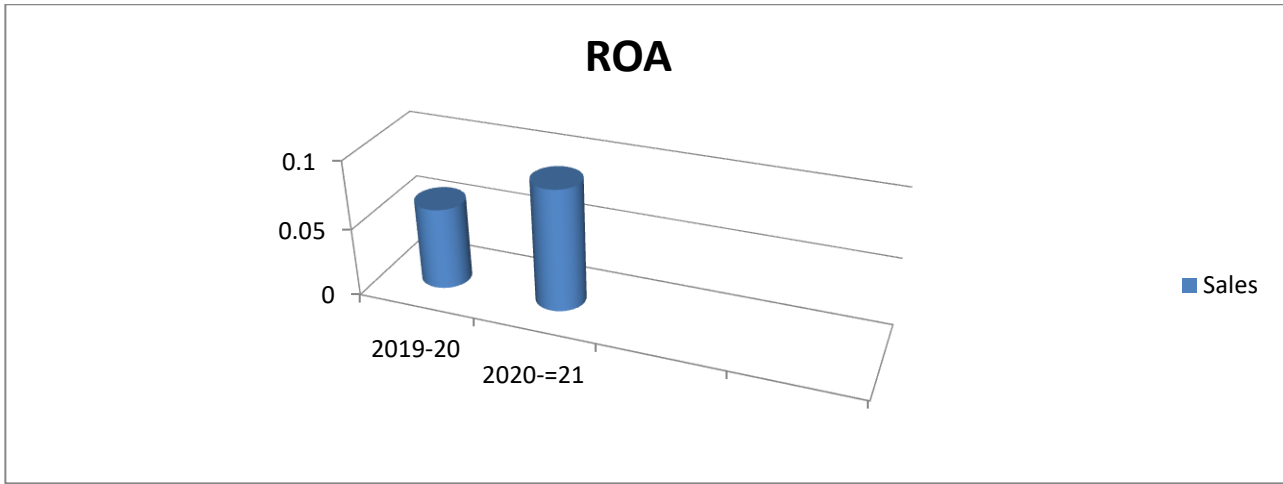
Interpretation: the numbers are negative in both years. If this number is negative, that means your firm is unable to meet its current obligations. To improve this number, examine your inventory management practices; a backup of goods and the resulting loss in sales can take a toll on your business's cash resources. Or it typically indicates that the company may have incurred a large cash outlay or a substantial increase in its accounts payable as a result of a large purchase of products and services from its vendors.

b. Profitability Analysis Ratios

1-ROA (Return on Assets)

ROA= net income/total assets

2019-20	0.06
2020-21	0.09

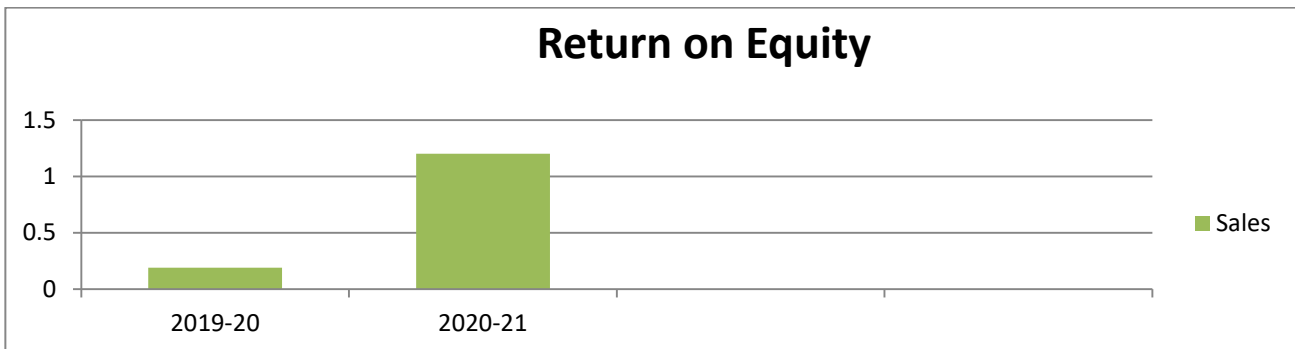


Interpretation: Again the result is higher in 2021 in compare to 2020. There is increase of 3% in 2021. A higher ROA means a company is more efficient and productive at managing its balance sheet to generate profits. It means Caviar Classic Land is improving year by year.

2- Return on Equity (ROE)

Return on Equity (ROE) = Net Income / Average Stockholders' Equity

2019-20	2265658/11844691	0.19
2020-21	2659733/2148367	1.2%



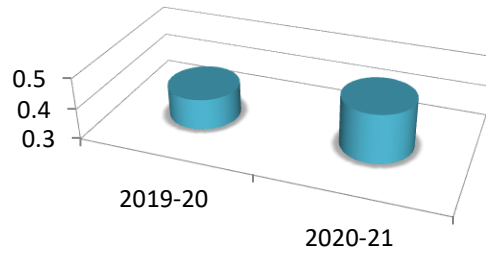
Interpretation: Here ROE of the company is 10% in 2020 which increased to 12% 2021, which is a positive point for the company. ROE is especially used for comparing the performance of companies in the same industry. As with return on capital, a ROE is a measure of management's ability to generate income from the equity available to it. ROEs of 15–20% are generally considered good. The higher a company's ROE percentage, the better it is. A higher percentage indicates a company is more effective at generating profit from its existing assets. Likewise, a company that sees increases in its ROE over time is likely getting more efficient.

3-Return on Investment (ROI)

Return on Investment (ROI) = Net Profit after Taxes / cost of investment

2019-20	2265658/5,648,060	0.40
2020-21	2659733/5,724,945	0.46

Return on Investment



Interpretation: When ROI calculations yield a positive figure, it means that net returns are in the black (because total returns exceed total costs). Alternatively, when ROI calculations yield a negative figure, it means that net returns are in the red because total costs exceed total returns. (In other words, this investment produces a loss.) Finally, to calculate ROI with the highest degree of accuracy, total returns and total costs should be considered.

ROI serves as a returns ratio, allowing a business owner to calculate how efficiently the company uses its total asset base to generate sales. Total assets include all current assets such as cash, inventory, and accounts receivable in addition to fixed assets such as the plant buildings and equipment. The higher the return on investment ratio, the more efficiently the company is using its asset base to generate sales.

Here the figures are positive which mean company is doing well and it is a good option for investors to invest.

4-Net Profit Margin

Net Profit Margin=Net income/revenue*100

2019-20	4.40%
2020-21	12.57%

Net Profit Margin

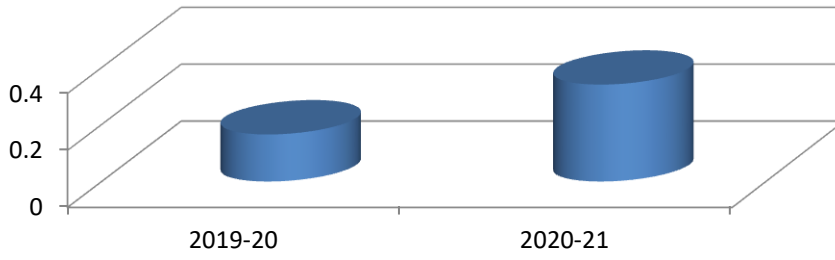


Interpretation: Here we can see that net profit margin of the company increase to 12.7% in 2021 in compare to 2020, where it was only 4.40%. A higher net profit margin means that a company is more efficient at converting sales into actual profit. Under gross profit, fixed costs are excluded from calculation. It is a very good point for the company's growth and success.

5- Gross Margin Ratio = (Revenue – COGS) / Revenue

2019-20	0.165
2020-21	0.34

Gross Profit Margin



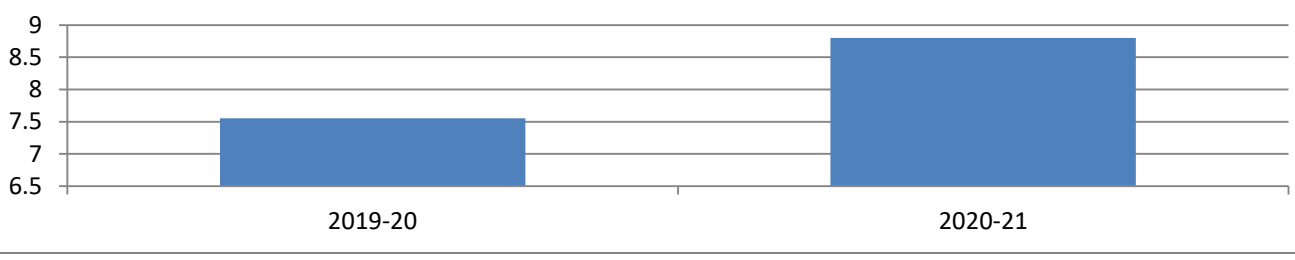
Interpretation: We can see Gross Margin in 2021 is 34% whereas it is 16% in 2020. The higher the ratio is the better it is. There is an increase of 18% in 2021 which is a very good point for the future and profit of the company. The ratio measures how profitably a company can sell its inventory. A higher ratio is more favorable.

6-Earnings per Share

(EPS) $\text{Earnings per Share (EPS)} = \frac{\text{Earnings after Taxes}}{\text{Number of Share}}$

2019-20	2265658/300000	7.55
2020-21	2659733/300000	8.8

Earnings per Share



Interpretation: Earnings per share is the same as any profitability or market prospect ratio. Higher earnings per share are always better than a lower ratio because this means the company is more profitable and the company has more profits to distribute to its shareholders. Caviar Classic Land is resulted to be a very well company to invest with having higher EPS each year.

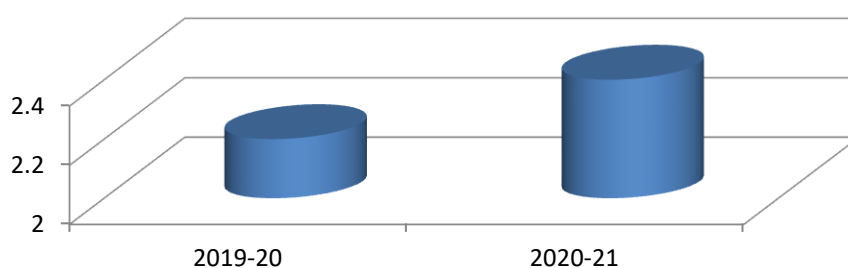
c. Activity Analysis Ratio

1-Asset Turnover Ratio

$\text{Asset Turnover Ratio} = \frac{\text{Net Sales}}{\text{Total Assets}}$

2019-20	12,864,115/ 5,648,060	2.2
2020-21	14,268,195/ 5,724,945	2.4

Asset Turnover Ratio



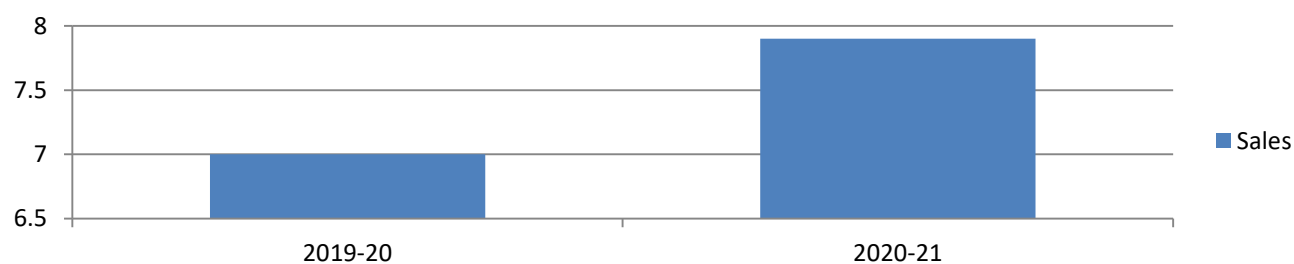
Interpretation: The higher the asset turnover ratio, the more efficient a company is at generating revenue from its assets. Conversely, if a company has a low asset turnover ratio, it indicates it is not efficiently using its assets to generate sales. An asset turnover ratio of 2.5 or more could be considered good and the company is about to reach there. Asset turnover ratio is a type of efficiency ratio that measures the value of your business's sales revenue relative to the value of your company's assets. It's an excellent indicator of the efficiency with which a company can use assets to generate revenue. Typically, total asset turnover ratio is calculated on an annual basis, although if needed it can be calculated over a shorter or longer timeframe.

2-Inventory Turnover Ratio

Inventory Turnover Ratio = Cost of Goods Sold / inventory

2019-20	12,389,078/1,758,529	7.0
2020-21	12,813,988/1,609,282	7.9

Inventory Turnover



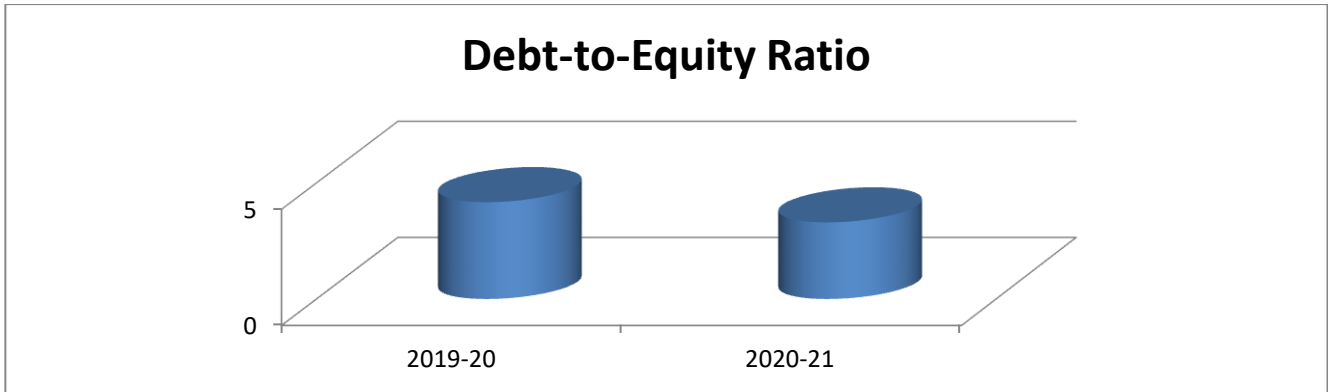
Interpretation: The ratio measures the efficiency of how well a company uses assets to produce sales. A higher ratio is favorable, as it indicates a more efficient use of assets. Conversely, a lower ratio indicates the company is not using its assets as efficiently. A low turnover implies weak sales and possibly excess inventory, also known as overstocking. It may indicate a problem with the goods being offered for sale or be a result of too little marketing. A high ratio, on the other hand, implies either strong sales or insufficient inventory. The result shows that the company has higher inventory turnover ratio with is a plus point for the company.

d. Capital Structure Analysis Ratios

1- Debt-to-Equity Ratio

2019-20	4,940,269/ 1,184,469	4.17%
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2020-21	5,647,984/ 1,706,961	3.30%
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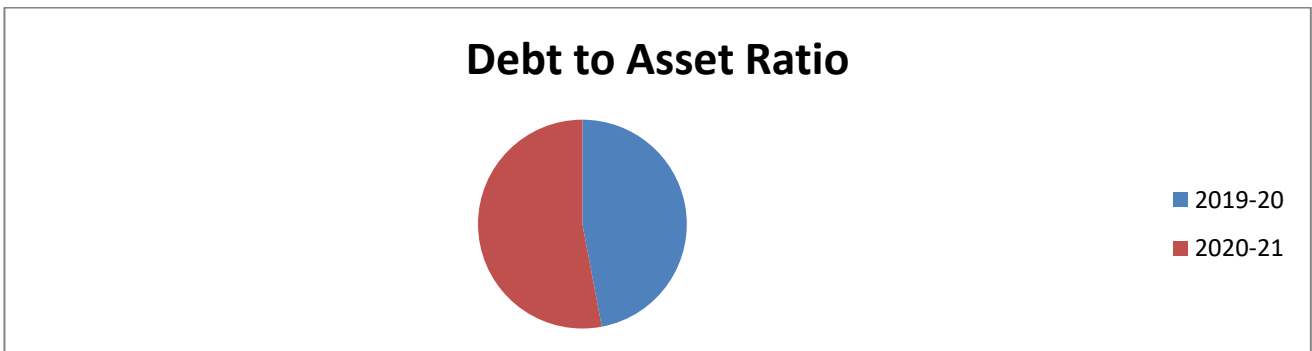


Interpretation: Here we can see that debt to equity ratio is high in 2019-20, in compare to 2021. A high D/E ratio is often associated with high risk; it means that a company has been aggressive in financing its growth with debt. If a lot of debt is used to finance growth, a company could potentially generate more earnings than it would have without that financing. The debt-to equity (D/E) ratio is a metric that provides insight into a company's use of debt. In general, a company with a high D/E ratio is considered a higher risk to lenders and investors because it suggests that the company is financing a significant amount of its potential growth through borrowing. So the Caviar Classic Land should have to be serious in that area or else that may cause them risky.

2-Debt to Asset Ratio

Debt to Asset Ratio = Total Debt/ Total Assets

2019-20	4,940,269/ 5,648,060	0.87%
2020-21	5,647,984/ 5,724,945	0.98%

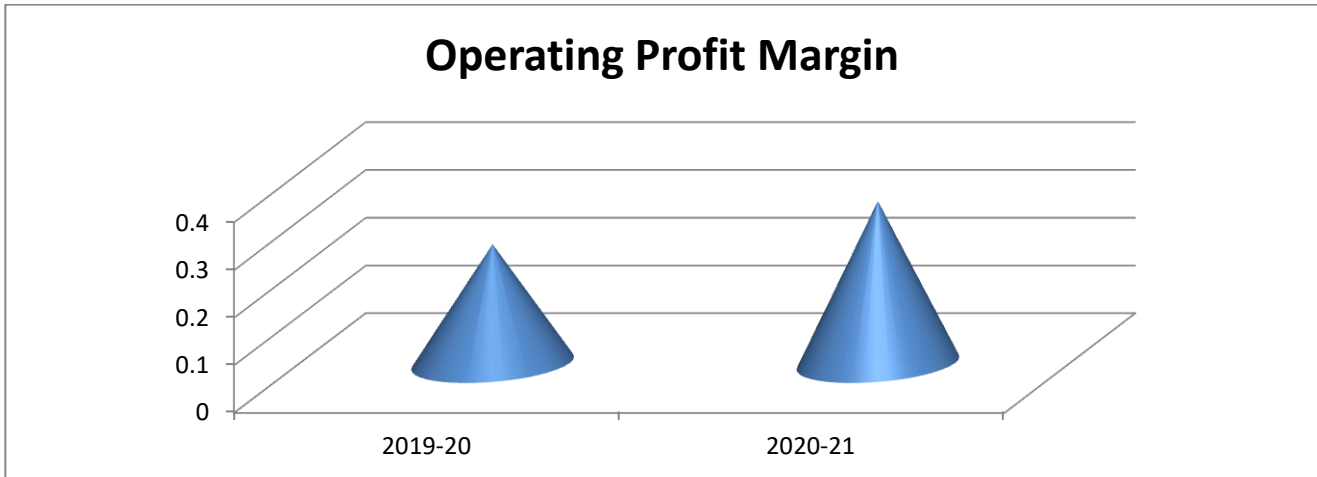


Interpretation: If the debt-to-assets ratio is greater than one, a business has more debt than assets. If the ratio is less than one, the business has more assets than debt. A ratio of less than one (<1) means the company owns more assets than liabilities and can meet its obligations by selling its assets if needed. This shows that most of its liabilities are current which can be highly risky for the company to repay them. A company with a high ratio of total debt to total assets has a relatively high degree of leverage (DOL) and may lack the financial flexibility of a business where assets outweigh debts

3-Operating Profit Margin

Operating Margin=Operating Earning/Revenue

2019-20	787982/2864115	0.25
2020-21	1,454,207/ 4,268,195	0.34



Interpretation: Here we can see Operating Profit Margin is higher in 2021 in compare to 2020. It reach to 34% from 25% which is again a very good point that shows the company is doing good and its very much profitable. A higher operating margin indicates that the company is earning enough money from business operations to pay for all of the associated costs involved in maintaining that business. For most businesses, an operating margin higher than 15% is 9 considered good. This tally is also known as EBIT margin and is an effective way to measure operational efficiency. If you find this number to be low, either raise revenues or cut costs. It may help to analyses which of your customers are the most profitable and concentrate your efforts there.

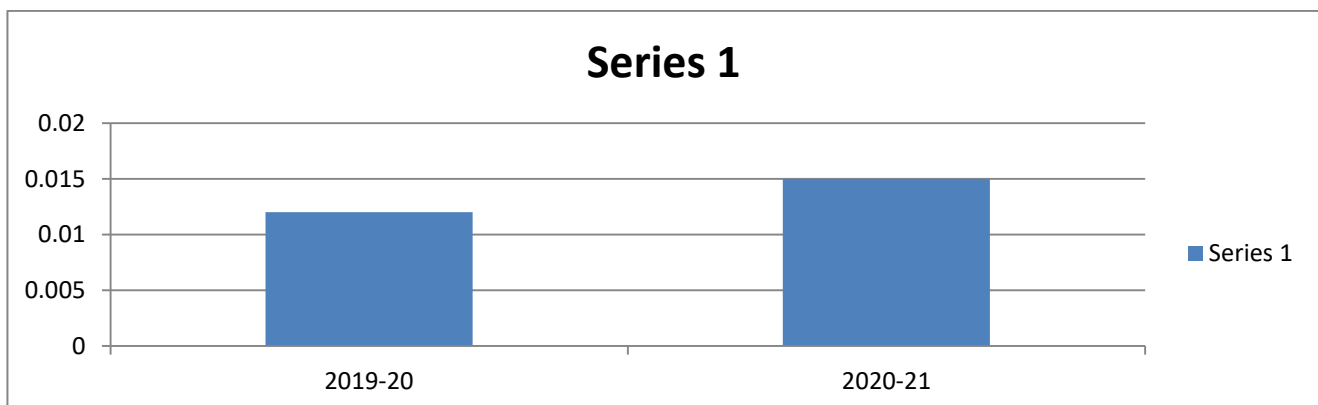
P/E Ratio:

The price-to-earnings, or P/E, ratio shows how much stock investors are paying for each rupee of earnings. It shows if the market is overvaluing or undervaluing the company.

One can know the ideal P/E ratio by comparing the current P/E with the company's historical P/E, the average industry P/E and the market P/E.

P/E Ratio= Share market price/EPS

2019-20	7.5/580	0.012
2020-21	8.8/580	0.015



Interpretation: A high P/E ratio may indicate that the stock is overpriced (with respect to history and/or peers) or the company's earnings are expected to grow at a fast pace. A stock with a low P/E may have greater potential for rising. P/E ratios should be used in combination with other financial ratios for informed decision making.

Dubai Stock Market

Dubai Financial Market (DFM) is a stock exchange located in Dubai, United Arab Emirates. It was founded on 26 March 2000. It is committed to provide investors and market participants with innovative products and services in conducting trading, clearing, settlement and depository of securities, in an efficient, transparent and liquid environment. As of 2014, there are 67 companies listed on DFM. Most of them are UAE-based companies and a few others are dual listings for companies based in other MENA region countries. Foreign companies are from the following countries: Kuwait, Bahrain, Oman, and Sudan. Many companies allow foreigners to own their shares.

During 2004 and 2005, there were significant increases in the volume of shares traded and the share prices of many companies. However, towards the end of 2005 and through the first few months of 2006 the bubble burst and share values dropped by around 60% on DFM, along with similar decreases in most other Persian Gulf stock markets.

DFM is one of three stock exchanges in the UAE. Abu Dhabi Securities Exchange (ADX) also lists mostly UAE companies and NASDAQ Dubai was set up to trade international stocks.

DFM and ADX are both governed and regulated by the Securities and Commodities Authority (SCA). SCA has the authority to impose laws and standards in which DFM and ADX have to comply with. SCA's role is to ensure that the laws are followed by the exchanges as well as to protect investors', brokers' and listed companies' rights.

On the other hand, NASDAQ Dubai is governed to international standards by an independent regulator called the Dubai Financial Services Authority (DFSA), which is equivalent to the Securities and Exchange Commission in the United States. Unlike DFM and ADX, NASDAQ Dubai, located in Dubai International Financial Centre (DIFC), is an electronic exchange with no trading floor.

DFM was fully owned by the Government of Dubai until November 2006 when it turned into a public joint-stock company through an IPO, which led to sell 20% of its shares to the public and 80% were subscribed by Borse Dubai, which is owned by Dubai government. As a matter of fact, DFM's IPO has been oversubscribed by 118 times.

Like the revenue, DFM's net profit dropped sharply from the period ended 2007 till 2011. In 2007, DFM profits reached 1,439.6 million including none operational profits coming from IPO of AED 468 million. In 2008, profits were AED 605 million. The next year, in 2009, the profit dropped even further and reached 346.62. In 2010, another drop took place and profits reached AED 79 million. In 2011, DFM recorded a loss of AED 6.45 million. From the trend, one can imply that the situation is not improving, but is deteriorating year after year. DFM BOD members, executives, and managers are working hard to get out DFM from this unforeseen dilemma. Due to the consistent efforts of the DFM BOD members and management team, DFM was able to turn over the situation in 2013 and gain a +608.5% growth in net profits, to become AED 285 million from the AED 35 million in the previous year. And the following year the market have occurred profits of AED 759 million with a growth rate of 166.3%. The next three years the market saw a sharp decline in profit to hit AED 233.5 million in 2017.

Caviar Classic Land: it is a private company based in Dubai. It is unlisted company. A listed company is a stock exchange-listed company wherein the shares are openly tradable. A listed company is a public company. It has issued shares of its stock through an exchange, with each share representing a sliver of ownership of the company. Those shares can then be bought and sold by investors, rising or falling in value according to demand. A company must apply to an exchange to be listed.

An unlisted company is a company that is not listed on the stock market. These are companies that are not listed on the stock exchange, so they are privately owned. Since they are not on the list, they do not have the opportunity to raise funds. They are becoming capital investors. Listed companies are acquired by several shareholders.

So this Caviar Classic Land is also a private company and not listed in stock market, therefore its share prices are not available online also any other information related to its statements and annual reports are also not available publicly, because it's a private company so it does not required to provide its information publicly

How investors invest in Caviar Classic Land?

As I mentioned that it is a private company so investors cannot find information related to the company online, so it is not easier to invest in private companies, but an investor has to do their homework. While investing directly is not a viable option for most investors, there are still ways to gain exposure to private firms through more diversified investment vehicles. Also a private company cannot offer up shares to the public to raise capital for itself. This is only allowed for public companies. Instead, to raise capital for the business, they can only take investments from the members of the company, family and friends.

It is much easier to invest in a publicly traded firm than a privately-held company. Public companies, especially larger ones, can easily be bought and sold on the stock market and, therefore, have superior liquidity and a quote market value. Conversely, it can be years before a private firm can again be sold and prices must be negotiated between the seller and buyer.

Although, there are some advantages of investing in private companies:

- Earnings from the company can be paid directly to shareholders.
- Potential to become public in the future, generating more return to investors and shareholders
- Potential to be acquired and for shareholders to receive a healthy return
- Option to work closely with management

So investors can take these advantages by investing in Caviar Classic Land.

2020 expenses and profit in compare to 2021

Caviar Classic Land SeaFood Canning

MIS Report as on 30th April 2020

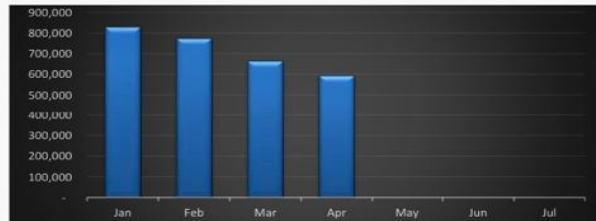
PERCENTAGE OF INCOME SPENT



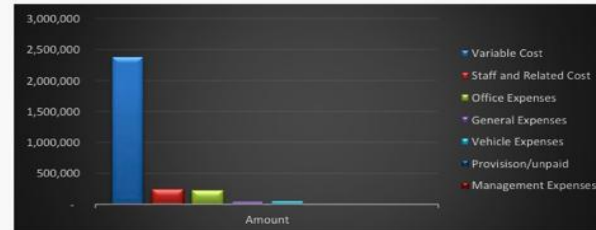
SUMMARY

Total Income	Total Expenses	Profit
2,864,115	2,990,414	(126,299)

Total Sales by Month	Amount
Jan	830,283
Feb	774,273
Mar	665,294
Apr	594,265
May	-
Jun	-
Jul	-



Total Expense	Amount
Variable Cost	2,389,078
Staff and Related Cost	249,496
Office Expenses	231,992
General Expenses	51,532
Vehicle Expenses	59,468
Provisison/unpaid	8,848
Management Expenses	-



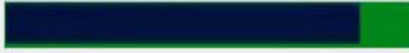
Income and Expense Trend



Caviar Classic Land SeaFood Canning

MIS Report as on 31st August 2021

PERCENTAGE OF INCOME SPENT



87%

SUMMARY

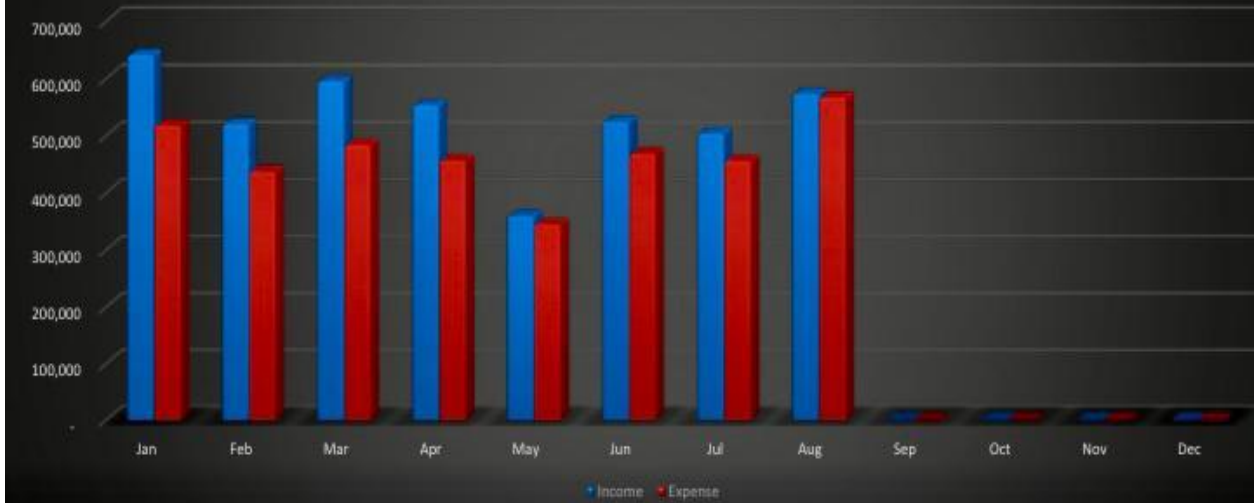
Total Income	Total Expenses	Profit
4,271,195	3,734,388	536,807

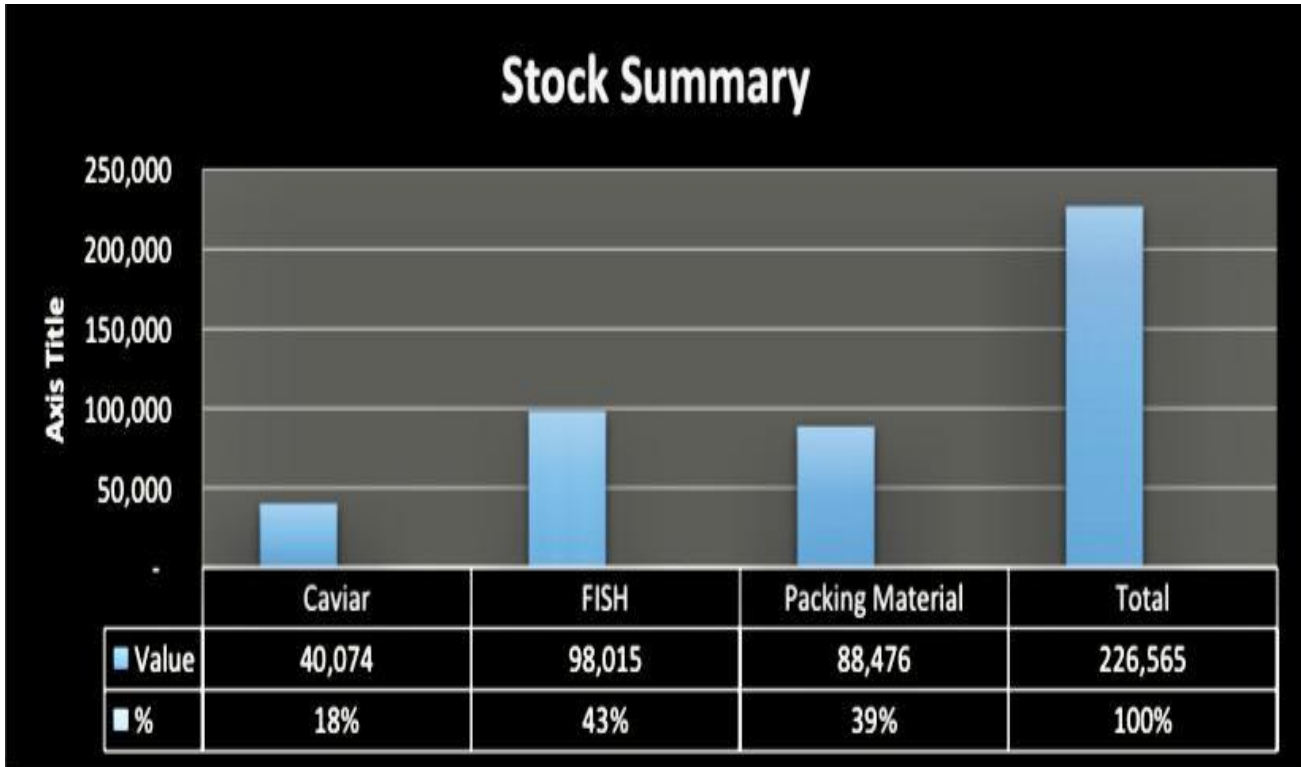
Total Sales by Month

Month	Amount
Jan	641,459
Feb	520,520
Mar	595,484
Apr	553,319
May	359,280
June	523,885
July	503,680
Aug	573,568
Sep	-
Oct	-
Nov	-
Dec	-



Income and Expense Trend





The above charts show that how profitable the company is, and it is doing very well in last two years. Instead of Covid pandemic the company continuously making profits and increasing its revenue and sells.

It also indicates that the net income of the company increased from 2 lakhs up to 4 lakhs which is a very well achievement for the future and growth of the company.

Project Data Finding

This report work has identified how companies use financial statement analysis and interpretation in making effective management decisions. Overall organizational profitability and achievement of organizational objectives were discussed. Again the difference between the returns of a financial statement analysis and interpretation based on management decisions were also discussed.

Additionally, the bellow points are my project questions' results and findings after doing ratio analysis.

- The project has done on Caviar Classic Land Company which was established in 2000 and is considered to be the main dealer and supplier of Caviar in the region, headquarters Dubai, United Arab Emirate.
- I found out that, what makes the company more attractive and successful is its production center, they practice traditional Russian and Iranian processing methods supported by advanced European technology. Each roe of classic caviar comes of fresh farm sturgeon. The processed egg size is over 2.8mm prepared with 15 steps of treatment in strict compliance with advanced international food processing standard. It shows their best marketing strategy, how to grab attention and attract more customers.
- Next more important thing about The Caviar classic land is its manufacturing plant retail and wholesale operation includes the biggest and most advanced salmon smoking facility. They provide different varieties of salmon fish and other related products which have very high demand in market.
- They have excellent organization structure; cooperative, creative, focus and most importantly their first target is finding the problems and solve them as soon as possible.
- Government stability helps the company to maintain its position incredibly in the market and have regular loyal customers.
- Caviar Classic Land owns an extensive and diversified distribution system that is not only penetrated in urban areas but also rural regions. It has adapted local distribution methods and decentralized approach to run the business efficiently in respective countries. Caviar Classic Land has strong relationships with retailers, vendors, and distributors.
- Weather has highly effect on this company. Hot weather is the biggest reason behind high prices on its products as well as storage of the foods cost them extremely high.
- Gross profit and net profits are increased during the period of 2020-21, which indicates that firm's efficient management in manufacturing and trading operations
- Liquidity ratio of the firm needs to be better. Liquidity position in over the two years shows that the firm had insufficient liquid assets. The current liabilities of the company are very high in compare to assets which can be problematic for them in future.
- Current asset in both years are less than one which is not a proper condition
- Quick ratio in 2021 0.1% decreased in compare to 2020. The company has cash flow problem.
- Net working capital on Caviar Classic Land in both years 2019-20 and 2020-21 are negative. That indicates that company is unable to meet its current obligations.
- Return on Asset is 0.09 in 2020-21 and 0.06 in 2019-20. That means there is 0.03% increase in ROA. That is a plus point for the company.
- Return on Equity also increased from 10% to 12% in 2020-21. That proves the best performance of the company.
- Return on Investment also increase up to 6% in 2020-21 in compare to 2019-20, which shows that the company is using its assets properly to generate sales.

- Net profit margin on the company increased to 12.5% in 2020-21, which was only 4.40% in 2019-20. That means company is more efficient at converting sales into actual profit.
- Gross margin ratio of the company shows that again there is increase of 18% in 2020-21 On compare to 2019-20. That indicates the company is extremely profitable and a good option for investor to invest.
- Earnings per share of caviar classic land also increased to 8.8% in 2020-21 from 7.55% in 2019-20. That means company has higher EPS in 2020-21, which is a good point. Company can distribute higher to its shareholders.
- Asset turnover ratio of company increased to 2.4% in 2020-21 from 2.2% in 2019-20.it means company is efficiently generating revenue from its assets.
- Inventory turnover increase to 7.9% from 7% in 2020-21. Again a plus point for the company, that helps the company perfectly produce sales and properly use its assets.
- Debt to equity ratio is 4.17 in 2019-20 and 3.30% in 2020-21. That means it was higher in 2019-20. Debt to equity of more than one is risky and they are higher in both years so the company should have to be focus more.
- Debt to asset ratio is high in 2020-21 in compare to 2019-20. It increased to 0.98% in 2021 from 0.87% in 2020. That means company has more asset s than liabilities. But it is about to reach to 1% and that would be a problem then so the company should be focus.
- Operating profit ratio of the company shows that there are changes of almost 9% from 2019-20 to 2020-21. It was 0.25% in 2019-20 which increased to 0.34% in 2020-21. That means company is very profitable and doing well at the same time.

Coming to the next important points, which are effects of current liabilities on Caviar Classic Land:

- As we know Current liabilities are a company's short-term financial obligations that are due within one year or within a normal operating cycle. Any increase in liabilities is a source of funding and so represents a cash inflow: Increases in accounts payable means a company purchased goods on credit, conserving its cash. In Caviar Classic Land that two types of current liabilities, account payables and other payables are very high. That can be risky for them.
- For many companies, accounts payable is the first balance sheet account listed in the current liabilities section. For example, accounts payable for goods, services, or supplies that were purchased with credit and for use in the operation of the business and payable within a one-year period would be current liabilities. Accounts payable are typically due within 30 days. Amounts listed on a balance sheet as accounts payable represent all bills payable to vendors of a company, whether or not the bills are more or less than 30 days old. Therefore, late payments are not disclosed on the balance sheet for accounts payable. An aging schedule showing the amount of time certain amounts are past due may be presented in the notes to audited financial statements; however, this is not common accounting practice.
- Other payables are: Sales taxes payable. This is the obligation of a business to remit sales taxes to the government that it charged to customers on behalf of the government.
Payroll taxes payable: This is taxes withheld from employee pay, or matching taxes, or additional taxes related to employee compensation.
Interest payable: This is interest owed to lenders but not yet paid.
- In Caviar Classic Land, an account payable increase occurs is because of the purchase of inventory. When inventory is purchased. They purchased by paying cash out of the remaining cash on hand as well as they used to pay on short-term credit through an accounts payable method.

The last point to discuss is how the ratio analysis of the Caviar Classis Land's financial statements helps the investor to decide whether it is a good option to invest or not?

- Ratio analysis is crucial for investment decisions. It not only helps in knowing how the company has been performing but also makes it easy for investors to compare companies in the same industry,
- Investors and analysts employ ratio analysis to evaluate the financial health of companies by scrutinizing past and current financial statements. Comparative data can demonstrate how a company is performing over time and can be used to estimate likely future performance.
- Also ratio analysis of Caviar Classis Land shows how much a company is leveraged, that is, how much debt is involved in the business vis-a-vis promoters' capital (equity).
- The Caviar Classis Land returns are higher than its interest cost, the debt will enhance value. However, if it is not, shareholders will lose
- Also, a company with low debt-to-equity ratio can be assumed to have a lot of scope for expansion due to more fund-raising options.
- The OPM shows operational efficiency and pricing power of Caviar Classis Land. It is calculated by dividing operating profit by net sales.
- The analysis of current liabilities is important to investors and creditors. Banks, for example, want to know before extending credit whether a company is collecting—or getting paid—for its accounts receivables in a timely manner. On the other hand, on-time payment of the company's payables is important as well. Both the current and quick ratios help with the analysis of a company's financial solvency and management of its current liabilities.
- Along with this, the analysis of current liabilities is also very important to investors and creditors. Banks, for example, if they want to know before extending credit whether a company is collecting—or getting paid—for its accounts receivables in a timely manner. On the other hand, on-time payment of the company's payables is important as well. Both the current and quick ratios help with the analysis of a company's financial solvency and management of its current liabilities.
- I also got to know that it is a private company and it is not listed in stock market.
- Investors cannot easily get information about the company online to invest.
- Investing in private companies are very riskier than public ones.

The above information is what I got through my project or they are my project findings on Caviar Classic Land.

Recommendations

According to the analysis I have done on the company, here are some recommendations for Caviar Classic Land for better performances.

The Caviar Classic Land for the measuring and managing liquidity risk, need to be on alert for common sources of that risk.

- **Cash Flow Management:** Cash flow management gives their business good visibility into potential liquidity challenges and opportunities. Cash is king, and cash flow is the bloodline of all businesses. Without proper management of cash flow, a business will increase its exposure to unnecessary liquidity risks. Moreover, a business without healthy and well-managed cash flow will face an uphill battle to remain profitable, secure favorable financing terms, attract potential investors and be viable in the long run. That is what the mentioned company is facing.
- When a company determines it received an economic benefit that must be paid within a year, it must immediately record a credit entry for a current liability. Depending on the nature of the received benefit, the company's accountants classify it as either an asset or expense, which will receive the debit entry.
- A history of late debt repayment and/or non-compliance with loan covenant requirements may translate into additional challenges when attempting to secure financing. Therefore, it is imperative that businesses have good capital structure management, match debt maturity profiles to assets, and maintain a good relationship and regular communication with lenders. The inability to obtain funding at all or to obtain it at competitive rates and acceptable terms increases liquidity risk. As I notice the company does not pay much attention in finance department even they do not include it in its organization structure, which can be one of the reasons behind this problem. They need to create a strong finance department and hire professional auditors in order to analyze the statements regularly and solve all financial risks at the earliest.
- A low liquidity ratio could signal a company is suffering from financial trouble. However, a very high liquidity ratio may be an indication that the company is too focused on liquidity to the detriment of efficiently utilizing capital to grow and expand its business.
- They can quickly improve their liquidity ratio by using sweep accounts that transfer funds into higher interest rate accounts when they're not needed, and back to readily accessible accounts when necessary. Paying off liabilities also quickly improves the liquidity ratio, as well as cutting back on short-term overhead expenses such as rent, labor, and marketing. Additional means of improving a company's liquidity ratio include using long-term financing rather than short-term financing to acquire inventory or finance projects. Removing short-term debt from the balance sheet allows a company to save some liquidity in the near term and put it to better use.
- Another way that Caviar Classic Land can improve liquidity ratio in the long term, it also helps to take a look at accounts receivable and payable. Ensure that you're invoicing customers as quickly as possible, and they're paying on time. When it comes to accounts payable, you'll want to ensure the opposite—longer pay cycles are more beneficial to a company that's trying to improve its liquidity ratio. You can often negotiate longer payment terms with certain vendors.
- They can also increase liquidity ratio by:
 - Delaying any capital purchases that would require any cash payments
 - Looking to see if any term loans can be re-amortized
 - Reducing the personal draw on the business
 - Or by selling any capital assets that are not generating a return to the business (use cash to reduce current debt)

- Ratio analysis of the company shows that working capital ratio is negative in both years. So the company needs to focus on that and try to make it positive. Below are some recommendations:
- As we know, the difference between total current assets and total current liabilities is called Working Capital. This tells us the operating capital available in the short term from within the business. Negative Working Capital arises when a company's current operating liabilities exceed the value of its current operating assets on the balance sheet.
- NWC captures the operating current assets and current liabilities to quantify the minimum cash balance, which is the amount of cash required to be on hand for operations to continue running as usual.
- When a company has more current assets than current liabilities, it has positive working capital. Having enough working capital ensures that a company can fully cover its short-term liabilities as they come due in the next twelve months. This is a sign of a company's financial strength. So again the company needs to improve its current assets like by get a long term loan from bank and keep it as cash in account.
- Proper fixed asset management: It is extremely important particularly for a business to focus on its fixed assets management. For businesses a single unplanned capital expenditure, such as a new purchase or major equipment repairs can highly effective. There should be proper and professional accountant to work on financing and audit parts.
- Highly focus on liquidity part: Liquidity risk can be mitigated through conscious financial planning and analysis and by forecasting cash flow regularly, monitoring and optimizing net working capital and managing existing credit facilities. If business leaders don't thoroughly understand liquidity risk sources and the principles of measuring and managing liquidity risk, insolvency risk skyrockets. Today's unprecedented challenges have certainly underscored this. Any business with liquidity concerns should consider bringing in an experienced, objective consultant for a thorough liquidity risk evaluation before trouble escalates. An expert can help to get you back on course and provide a plan for keeping you there.
- Monitoring and Optimizing Net Working Capital: Caviar Classic Land's financial professionals need to have an in-depth understanding of how business fluctuations affect financing and net working capital requirements.
- Managing Existing Credit Facilities: The use of borrowed capital helps a business grow and be profitable because it gives it the ability to manage short-term and long-term needs such as bolstering its cash reserves for future net working capital requirements and capital expenditure investments.
- A business must not only build a strong rapport with its lenders but also regularly monitor all of its existing credit facilities to ensure full covenants compliance, match facilities to the purpose of the loan, manage debt maturities and obtain the best financing rates.
- The Caviar Classic Land needs a proper financial department with highly professional accountant and audits.
- The financial statements of Caviar Classic Land are not clearly organized. They need more time to understand and evaluate. They should try to make it clear and readable so that they can attract more investors.
- It should enhance its employee's efficiency, more training needed to its employees in order to increase its production capacity and minimize mistakes while performing the tasks, also more safety precaution need to implement to the employees who directly working on sugar production process.
- The company high inventory so I suggested that the firm must reduce the stock by increase sales. That way their liquidity problem will be solved too.

- The firms should have proper check all process of the plant.
- Get Organized: No doubt that Caviar Classic Land is well organized, but still it needs some improvement in financial part. It will help it complete tasks and stay on top of things to be done. A good way to be organized is to create a to-do list each day. As they complete each item, check it off its list. This will ensure that they're not forgetting anything and completing all the tasks that are essential to the survival of their business.
- They should have proper records: All successful businesses keep detailed records. By doing so, they'll know where the business stands financially and what potential challenges they could be facing. Just knowing this gives them time to create strategies to overcome those challenges. Most businesses are choosing to keep two sets of records: one physical and one in the cloud. By having records that are constantly uploaded and backed up, a business no longer has to worry about losing their data. The physical record exists as a backup but more often than not, it is used to ensure that the other information is correct.
- Analyze Your Competition: Competition breeds the best results. To be successful, Caviar Classic Land can't be afraid to study and learn from their competitors. After all, they may be doing something right that you can implement in your business to make more money. Understand the Risks and Rewards
- The key to being successful is taking calculated risks to help your business grow. A good question to ask is "What's the downside?" If you can answer this question, then you know what the worst-case scenario is. This knowledge will allow you to take the kinds of calculated risks that can generate tremendous rewards.

To sum up, the company should focus on that part for more success and achievements. Caviar Classic Land's three factors, marketing, globalization, and quality are what add to the company's success. Other factors that helped in the growth of Caviar Classic Land into the largest food company in terms of revenue in the world include good customer service, embracing innovation, technology, and ensuring uniqueness of its products.

Project Learning

An internship is an opportunity to test drives a career without making any serious commitments. It provides me with experiences, lessons, and the tools I'll need to get a full-time gig in the future. It was a very great choice because it gave me a feel for work without being thrown into the deep end straight away. This provides me with the opportunity to grow and learn before fully entering the working world.

Here are all the things I gain from my internship:

- This internship helps me develop a toolbox of quantitative and soft skills in business and management, which I can use to advance in my career.
- I learned how to be a responsible accountant and what is the roll and responsibility of accountant in a company
- It helped me understand how the financial statement have to be made and recorded and these are very helpful for my career or wherever I start my job
- How to invest? Importance of investment, how to grab investors' attention is another thing I learned
- Along with this, learn how to speak the language of business, lead a team, and create and evaluate company strategies
- This internship helped me learn the usage of each ratio properly and how they work
- how to communicate and deal with foreigners
- How to be responsible toward my works and duties is another very important thing this internship made me realized
- How to put my knowledge and skills into practice: From conducting comprehensive competitor analysis research, to do analysis and communication plan, my knowledge of business and financing theories was transformed into a series of practical techniques and skills that I can now implement in real-life business scenarios, all thanks to my internship.
- The benefits of networking: During my internship, I learned how to communicate and build relationships with the people I worked with. I learned how to introduce myself, talk about my interests, knowledge and skills with entrepreneurs and business owners, as well as how to ask questions and gain a better understanding of businesses not only in the co-working space, but also others in the field
- . This process overall helped me develop my professional network and emphasized the importance of creating these connections. I also connected with most of them via LinkedIn, which is obviously a great networking platform for professionals.
- Understanding workplace culture: Culture influences communication, and as an international student, I learned that every company or organization has its own culture. It's essential to observe others and learn how they engage and interact with co-workers, or help them with projects and tasks. I quickly learned that whenever something is unclear for me, or I don't understand, it's fine to ask for clarification.
- Enthusiasm is invaluable: As an intern, I discovered it's essential to be enthusiastic and open to learning new skills, asking for more work and being curious to learn and ask questions. This attitude will show that you enjoy being part of the team and that you're keen to help. Having curiosity and enthusiasm also means that, as an intern, you get a lot out of what you're doing, which opens lots of opportunities.
- Keeping a journal is great for personal growth: During my internship, I had a journal and took notes every day about new things I learned, feedback I was given by my manager, strengths and

weaknesses I noticed, and things I wanted to research and learn more about. This helped me understand myself more and identify the areas that I needed to improve in.

- How important good communication is: Communication is the key to success in a professional environment. I learned that it's important to communicate with my manager via phone, email or SMS if I have questions or if I don't know how to work on a task. Asking for help and clarification is better than pretending you've understood what you need to do, no matter what. However, I also found that if you can Google something, then do. Avoiding asking questions if you can find answers elsewhere is part of being a good communicator keep in mind that everyone's time is valuable. As an intern, good communication will help with productivity, efficiency, engagement and growth.
- The benefits of taking on feedback: Asking for and receiving professional feedback is very important. It is essential to take note of both the positive and negative points for the future, so you can grow and excel in your career. I learned that sometimes asking for feedback or receiving feedback is difficult to hear, but it will have a significant impact on your future career and success.
- Problem Solving: learning how to solve problems including real community issues, more effectively—even learning from failure and possibly starting over. From this internship I really learned a lot as it was very much challenging. By giving me difficult tasks to do the taught me how to solve problems by working hard and focusing
- Creativity: my responsibility in the company pushed me to become creative and find the solution which was really amazing experience. I have learned how to apply creative thinking skills to innovate and possibilities for projects.
- In-Depth Understanding: it was something interesting as I build all my experiences and leanings based on my research skills and deepen my learning of applied content beyond facts or memorization.
- Self-Confidence: It is something clear that doing project is very essential in creating self-confident. It helped me find my voice and learn to take pride in my work, boosting my agency and purpose.
- Critical Thinking: being a MBA student it's very necessary to learn to look at problems with a critical thinking lens, asking questions and coming up with possible solutions for the project.

Conclusion

Caviar Classic Land is indeed one of the largest and most successful companies in the world. The company has focused on food supplier, manufacturer, and distributor as its main trading commodities. Also the company is in the world's leading food manufacturer and the market leader in food products including prepared dishes and cooking aids fish-based products, SALMON ROE, SAFFRON, SMOKED SALMON and sea food.

Despite this, it has invested in other business ventures; for instance, it has invested in the cosmetics industry. The current CEO of the company, Marc Farshidi, has been described as one of the best business people in the world because he has ensured that the company has maintained its standards for quality and become more profitable.

Additionally, Caviar Classic Land is an organic model of organizational design. It is flexible and highly adaptive to the competitive external environment and also decentralized decision authority, although Caviar Classic Land Company has achieved their mission and objectives. Besides, after we know the theories of Microeconomics and Macroeconomics, we know that some of the theories can apply in our real life such as law of demand, when the price of the product falls, the quantity demanded of the product will increase, vice versa. In real life customer prefers to purchase the product which is the lowest price rather than highest price. However, most of the people are poor, economic capacity. So they cannot purchase the product, Even though the future cannot be told by looking at numbers and financial performance of companies should extrapolate what might happen and look at the angles of matter in both ways, positively or negatively. This report outlined, evaluated and analysed Caviar Classic Land's performance in the market along with presenting recommendations that might help the company upgrade their activities in the market.

Coming to the financial condition of the company; the earning, growth as well as its ROE (return on equity) show that Caviar Classic Land is a profitable and successful company

Its earning and profits increased year by year and the company maintains a good position in the market.

Coming to the financial condition of the company; the earning, growth as well as its ROE (return on equity) show that Caviar Classic Land is a profitable and successful company its earning and profits increased year by year and the company maintains a good position in the market.

After doing ratio analysis of the financial statements of the Caviar Classic Land, I got that all the profitability ratios of the company are high and the company is doing well.

However, the biggest problem I found during my working there is liquidity risk. After analyzing the financial statements of the company it was clear that the company is going on high debt. The current liabilities are very high which can create a problem for the company in the future. It is one of the biggest risks that a business will not have sufficient cash to meet its financial commitments in a timely manner. Without proper cash flow management and sound liquidity risk management, their business will face a liquidity crisis and ultimately become insolvent.

To sum up, this project of Ratio analysis with reference to the Caviar Classic Land concern is not merely a work of the project but a brief knowledge and experience of how to analyze the financial performance of this company. The study undertaken has brought in to the light of the following conclusions. According to this project I came to know that from the analysis of financial statements it is clear that Caviar Classic Land has been incurring profit during the period of study. However the company's current liabilities increased from last years. So the company should focus on getting of its debts and loans in the coming years by taking care internal as well as external factors.

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