

5.1 INTRODUCTION:

The basic financial data (condensed balance sheets and condensed income statements for the period 1982 to 1991) of the select fertilizer units is presented in Tables 5.1 to 5.12.

This basic data was subjected to ratio and trend analysis and the values worked out therefrom are being presented in the subsequent Tables (5.13 to 5.26 for ratios and 5.27 to 5.34 for trends). The theoretical background for this analytical exercise has already been presented in the preceding Chapter.

The Companies names have been abbreviated in these Tables as follows:

- FACT : Fertilizer & Chemicals Travancore Limited,
- ZACL : Zuari Agro Chemicals Limited,
- GSFC : Gujarat State Fertilisers Corporation Limited,
- MCFL : Mangalore Chemicals & Fertilizers Limited
- CFL : Coromandel Fertilizers Limited,
- SPIC : Southern Petrochemical Industries Corporation Ltd.

Table 5.1
FERTILIZERS AND CHEMICALS, TRAVANCORE, LIMITED
CONDENSED BALANCE SHEETS

Particulars	As at 31st March									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
(Rs. in Lakhs)										
LIABILITIES										
- Share Capital	12546 (64)	12,827 (64)	13677 (75)	15027 (67)	18377 (76)	23677 (66)	29677 (64)	32277 (63)	33977 (60)	34277 (50)
- Shareholders Reserve	-6475 (-32)	-7186 (-35)	-7176 (-39)	-5249 (-23)	-4118 (-16)	37 -	1342 (3)	2186 (4)	2480 (4)	4845 (7)
- Current Liabilities	6115 (31)	6986 (35)	6250 (34)	7844 (35)	5833 (24)	9147 (25)	7303 (16)	7591 (15)	11121 (20)	16215 (23)
- Deferred Liabilities	7281 (37)	7421 (36)	5590 (30)	4770 (21)	3935 (16)	3070 (9)	6404 (14)	9303 (18)	9118 (16)	13527 (20)
Total:	19467 (100)	20048 (100)	18341 (100)	22392 (100)	24027 (100)	35931 (100)	44726 (100)	51351 (100)	56696 (100)	68864 (100)
ASSETS										
- Fixed Assets	7866 (40)	7414 (37)	7358 (40)	7566 (34)	10332 (43)	16594 (46)	26755 (60)	35754 (70)	41828 (74)	43126 (63)
- Current Assets	11357 (58)	12468 (62)	10926 (60)	14778 (66)	13653 (54)	19302 (54)	17936 (40)	15561 (30)	14832 (26)	25559 (37)
- Miscellaneous Assets	36	35	35	35	35	35	35	36	36	36
- Intangible Assets	208 (1)	131 (1)	22	13	7	-	-	-	-	142
Total:	19467 (100)	20048 (100)	18341 (100)	22392 (100)	24027 (100)	35931 (100)	44726 (100)	51351 (100)	56696 (100)	68864 (100)

Note: Figures in brackets indicate percentages

Source: Compiled from the Financial Statements
of the Unit for the respective years.

Table 5.2
FERTILIZERS AND CHEMICALS, TRAVANCOORE, LIMITED
CONDENSED INCOME STATEMENT FOR THE PERIOD ENDING

Particulars	(Rs. in Lakhs)									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<u>Sales Revenue</u>	16250 (100)	17633 (100)	21083 (100)	29947 (100)	29511 (100)	32772 (100)	36602 (100)	41810 (100)	34692 (100)	44630 (100)
less: Cost of goods sold	14754 (91)	14618 (83)	18872 (90)	24176 (81)	25822 (87)	25988 (79)	29236 (80)	33873 (81)	30727 (89)	40662 (91)
<u>Gross Margin</u>	1496 (9)	3015 (17)	2211 (10)	5771 (19)	3689 (13)	6784 (21)	7366 (20)	7937 (19)	3965 (11)	3968 (9)
less: General Expenses	521 (3)	1652 (9)	512 (2)	2366 (8)	1931 (7)	2607 (8)	3002 (8)	37549 (9)	26538 (8)	1362 (3)
<u>Gross Profit</u>	975 (6)	1363 (8)	1699 (8)	3405 (11)	1758 (6)	4177 (13)	4364 (12)	4183 (10)	1312 (3)	2606 (6)
add: Non-operating Surplus/ Deficiency Adjustment	170 (1)	260 (1)	484 (2)	244 (1)	880 (3)	1609 (5)	-882 (-1)	-2261 (-4)	147 (3)	1519 (3)
<u>Profit-before-Interest, Depreciation and Tax</u>	1145 (7)	1623 (9)	2183 (10)	3649 (12)	2638 (9)	5786 (18)	3482 (11)	1922 (6)	1459 (3)	4125 (9)
less: Interest	1055 (6)	1130 (6)	988 (5)	699 (2)	509 (2)	456 (1)	352 (1)	159 (0)	184 (0)	462 (1)
Depreciation	1188 (7)	1204 (7)	1185 (5)	1022 (3)	1004 (3)	1060 (3)	1568 (4)	850 (2)	914 (3)	1301 (3)
<u>Profit-before-Tax</u>	-1098 (-6)	-711 (-4)	10 (0)	1928 (7)	1125 (4)	4270 (14)	1562 (6)	913 (4)	361 (5)	2362 (5)
less: Provision for Taxation	-	-	-	-	-	125 (1)	272	141	58	-
<u>Net Profit</u>	-1098 (-6)	-711 (-4)	10	1928 (7)	1125 (4)	4145 (14)	1290 (5)	772 (4)	303	2362 (5)
less: Profit distributed Equity Dividend	-	-	-	-	-	-	-	-	-	-
Pref. Dividend	-	-	-	-	-	-	-	-	-	-
<u>Profit retained</u>	-1098 (100)	-711 (100)	10 (100)	1928 (100)	1125 (100)	4145 (100)	1290 (100)	772 (100)	303 (100)	2362 (100)

Note: Figures in brackets indicate percentages

Source: Compiled from the Financial Statements
of the Unit for the respective years.

Table 5.3
ZUARI AGRO CHEMICALS LIMITED
CONDENSED BALANCE SHEET

Particulars	As at 31st March									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
										(Rs. in Lakhs)
LIABILITIES										
Share Capital	1655 (19)	1655 (18)	1655 (16)	1645 (13)	1645 (12)	1645 (12)	NA	1645 (9)	1645 (9)	1645 (9)
Shareholders Reserve	2347 (27)	2542 (28)	3381 (32)	3475 (28)	4815 (34)	4879 (36)	NA	5446 (29)	5835 (33)	6473 (35)
Current Liabilities	3049 (35)	3222 (36)	3998 (39)	3834 (32)	4513 (32)	3308 (25)	NA	10323 (54)	7692 (43)	9079 (48)
Deferred Liabilities	1678 (19)	1528 (17)	1332 (13)	3247 (27)	3224 (22)	3552 (27)	NA	1598 (8)	2388 (15)	1498 (8)
Total:	8729 (100)	8947 (100)	10366 (100)	12201 (100)	14197 (100)	13384 (100)	NA	19012 (100)	17560 (100)	18695 (100)
ASSETS										
Fixed Assets	3187 (37)	3215 (36)	4495 (43)	3636 (30)	3957 (28)	3393 (25)	NA	3276 (17)	3595 (20)	4225 (22)
Investment in Subsidiaries	-	-	-	-	-	-	NA	-	1800 (11)	-
Current Assets	5531 (63)	5726 (64)	5862 (57)	8445 (69)	10240 (72)	9991 (75)	NA	13942 (74)	12135 (69)	12670 (68)
Miscellaneous Assets	-	-	-	-	-	-	-	1794 (9)	30	1800 (10)
Intangible Assets	11	6	9	120 (1)	-	-	-	-	-	-
Total:	8729 (100)	8947 (100)	10366 (100)	12201 (100)	14197 (100)	13384 (100)	NA	19012 (100)	17560 (100)	18695 (100)

Note: Figures in brackets indicate percentages

Source: Compiled from the Financial Statements
of the Unit for the respective years.

Table 5.4
ZUARI AGRO CHEMICALS LIMITED
CONDENSED INCOME STATEMENT FOR THE PERIOD ENDING

Particulars	(Rs. in Lakhs)									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<u>Sales Revenue</u>	13403 (100)	13758 (100)	15143 (100)	19773 (100)	24790 (100)	21757 (100)	NA	34123 (100)	25874 (100)	28063 (100)
less: Cost of goods sold	9857 (74)	10639 (77)	11501 (76)	15286 (77)	19081 (77)	18547 (85)	NA	27279 (80)	20626 (80)	22710 (81)
<u>Gross Margin</u>	3546 (26)	3119 (23)	3642 (24)	4437 (23)	5709 (23)	3210 (15)	NA	6844 (20)	5248 (20)	5353 (19)
less: General Expenses	1216 (9)	1229 (9)	1265 (8)	1823 (9)	2858 (12)	833 (4)	NA	3544 (10)	2868 (11)	2575 (9)
<u>Gross Profit</u>	2330 (17)	1890 (14)	2377 (16)	2664 (14)	2851 (11)	2377 (11)	NA	3300 (10)	2380 (9)	2778 (10)
add: Non-operating Surplus/ Deficiency Adjustment	48 (0)	110 (1)	337 (2)	-361 (-1)	1127 (5)	210 (1)	NA	414 (1)	551 (2)	680 (2)
<u>Profit-before-Interest, Depreciation and Tax</u>	2378 (17)	2000 (15)	2714 (18)	2303 (13)	3978 (16)	2587 (12)	NA	3714 (11)	2931 (11)	3458 (12)
less: Interest	515 (4)	430 (3)	414 (3)	755 (4)	847 (3)	985 (5)	NA	1124 (3)	950 (4)	847 (3)
<u>Depreciation</u>	442 (3)	696 (5)	704 (5)	480 (2)	746 (3)	747 (3)	NA	598 (2)	550 (2)	599 (2)
<u>Profit-before-Tax</u>	1421 (10)	874 (7)	1596 (10)	1068 (7)	2385 (10)	855 (4)	NA	1992 (6)	1431 (5)	2012 (7)
less: Provision for Taxation	395 (3)	390 (3)	437 (3)	613 (3)	675 (3)	420 (2)	NA	915 (3)	610 (2)	910 (3)
<u>Net Profit</u>	1026 (7)	484 (4)	1159 (7)	455 (4)	1710 (7)	435 (2)	NA	1077 (3)	821 (3)	1102 (4)
less: Profit distributed Equity Dividend	248 (24)	248 (52)	280 (24)	311 (68)	311 (18)	311 (71)	NA	435 (40)	373 (45)	404 (37)
Pref. Dividend	98 (10)	39 (8)	39 (4)	49 (11)	60 (4)	60 (14)	NA	75 (7)	60 (7)	60 (5)
<u>Profit retained</u>	680 (66)	197 (40)	840 (72)	95 (21)	1339 (78)	64 (15)	NA	567 (53)	388 (48)	638 (58)

Note: Figures in brackets indicate percentages

Source: Compiled from the Financial Statements
of the Unit for the respective years.

Table 5.5

GUJARAT STATE FERTILIZERS COMPANY LIMITED
CONDENSED BALANCE SHEETS

Particulars	As at 31st March									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
										(Rs. in Lakhs)
LIABILITIES										
Share Capital	1600 (9)	1600 (7)	2094 (8)	207 (7)	2108 (6)	2730 (5)	NA	2730 (5)	4476 (5)	5994 (5)
Shareholders Reserve	9385 (49)	11335 (53)	11853 (46)	13180 (44)	14915 (39)	17023 (35)	NA	20853 (30)	33570 (40)	38131 (32)
Current Liabilities	7503 (39)	7574 (35)	9790 (38)	13309 (45)	16366 (43)	23455 (47)	NA	24494 (35)	27483 (32)	37058 (31)
Deferred Liabilities	669 (3)	1013 (5)	2166 (8)	1982 (4)	4583 (12)	6640 (13)	NA	20959 (30)	19143 (27)	37727 (32)
Total:	19157 (100)	21522 (100)	25903 (100)	29678 (100)	37972 (100)	49848 (100)	NA	69036 (100)	84672 (100)	118910 (100)
ASSETS										
Fixed Assets	6893 (36)	6303 (29)	6848 (26)	7885 (27)	13004 (34)	16686 (34)	NA	22001 (33)	30508 (36)	63044 (53)
Current Assets	12262 (64)	15217 (71)	18283 (71)	21791 (73)	24956 (66)	33091 (66)	NA	46407 (67)	53648 (64)	55061 (46)
Miscellaneous Assets	-	-	-	-	-	-	NA	520 (0)	516 (1)	805 (1)
Intangible Assets	-	-	770 (3)	-	-	28 (0)	NA	108 (0)	-	-
Total:	19157 (100)	21522 (100)	25903 (100)	29678 (100)	37972 (100)	49848 (100)	NA	69036 (100)	84672 (100)	118910 (100)

Note: Figures in brackets indicate percentages

Source: Compiled from the Financial Statements
of the Unit for the respective years.

Table 5.6

GUJARAT STATE FERTILIZERS COMPANY LIMITED
CONDENSED INCOME STATEMENT FOR THE PERIOD ENDING

Particulars	(Rs. in Lakhs)									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<u>Sales Revenue</u>	18103	20524	22972	32863	35531	35829	NA	67631	68252	73999
	(100)	(100)	(100)	(100)	(100)	(100)		(100)	(100)	(100)
less: Cost of goods sold	14519	15819	17941	26737	30789	29400	NA	54231	54981	57726
	(80)	(77)	(78)	(81)	(87)	(82)		(80)	(81)	(78)
<u>Gross Margin</u>	3584	4705	5031	6126	4742	6429	NA	13400	13271	16273
	(20)	(23)	(22)	(19)	(13)	(18)		(20)	(19)	(22)
less: General Expenses	838	1528	2090	1453	1861	2635	NA	3585	3367	4155
	(5)	(7)	(9)	(4)	(5)	(7)		(5)	(5)	(6)
<u>Gross Profit</u>	2746	3177	2941	4673	2881	3794	NA	9815	9904	12118
	(15)	(16)	(13)	(15)	(8)	(11)		(15)	(14)	(16)
add: Non-operating Surplus/ Deficiency Adjustment	324	437	1154	1429	1748	4249	NA	2746	809	2566
	(2)	(2)	(5)	(4)	(5)	(12)		(4)	(1)	(3)
<u>Profit-before-Interest, Depreciation & Tax</u>	3070	3614	4095	6102	4629	8043	NA	12561	10713	14684
	(17)	(18)	(18)	(19)	(13)	(23)		(19)	(15)	(19)
less: Interest	593	477	515	423	817	2082	NA	4188	2110	3395
	(3)	(2)	(2)	(1)	(2)	(6)		(6)	(3)	(5)
Depreciation	683	785	896	960	953	1777	NA	2596	2375	4393
	(4)	(4)	(4)	(4)	(3)	(5)		(4)	(3)	(6)
<u>Profit-before-Tax</u>	1794	2352	2684	4719	2859	4184	NA	5777	6228	6896
	(10)	(12)	(12)	(14)	(8)	(12)		(9)	(9)	(8)
less: Provision for Taxation	-	-	1265	2485	610	660	NA	910	1094	430
			(6)	(8)	(2)	(2)		(1)	(2)	(1)
<u>Net Profit</u>	1794	2352	1419	2234	2259	3524	NA	4867	5134	6466
	(10)	(12)	(6)	(6)	(6)	(10)		(8)	(7)	(7)
less: Profit distributed Equity Dividend	-	-	-	-	-	808	NA	-	-	-
						(23)				
Prof. Dividend	-	-	-	-	-	-	-	-	-	-
Profit retained	1794	2352	1419	2234	2259	2716	NA	4867	5134	6466
	(100)	(100)	(100)	(100)	(100)	(77)		(100)	(100)	(100)

Note: Figures in brackets indicate percentages

Source: Compiled from the Financial Statements
of the Unit for the respective years.

Table 5.7
MANGALORE CHEMICALS AND FERTILIZERS LIMITED
CONDENSED BALANCE SHEETS

Particulars	As at 31st March									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
										(Rs. in Lakhs)
LIABILITIES										
Share Capital	1541 (20)	1541 (17)	1541 (12)	1541 (8)	1541 (6)	NA	1541 (5)	1542 (6)	6268 (30)	7688 (35)
Shareholders Reserve	-726 (-9)	-528 (-5)	625 (5)	1097 (6)	1391 (5)	NA	1240 (4)	-2092 (-7)	-6021 (-28)	-7378 (-32)
Current Liabilities	3026 (38)	4110 (45)	4971 (41)	12326 (61)	16340 (65)	NA	22389 (69)	19750 (74)	5961 (28)	8714 (38)
Deferred Liabilities	4044 (51)	3847 (43)	5086 (42)	4885 (25)	6133 (24)	NA	7131 (22)	7440 (27)	14638 (40)	13258 (59)
Total:	7885 (100)	8970 (100)	12223 (100)	19849 (100)	25405 (100)	NA	32301 (100)	26640 (100)	20846 (100)	22262 (100)
ASSETS										
Fixed Assets	3286 (42)	3820 (43)	3932 (40)	6709 (34)	7697 (30)	NA	8808 (27)	8853 (33)	3051 (39)	9161 (41)
Current Assets	4548 (58)	5090 (57)	7242 (60)	13081 (66)	17688 (70)	NA	23406 (73)	17773 (67)	12795 (61)	13028 (59)
Miscellaneous Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	51	60	49	59	20	NA	87	14	-	73
Total:	7885 (100)	8970 (100)	12223 (100)	19849 (100)	25405 (100)	NA	32301 (100)	26640 (100)	20846 (100)	22262 (100)

Note: Figures in brackets indicate percentages
Source: Compiled from the Financial Statements
of the Unit for the respective years.

Table 5.8
MANGALORE CHEMICALS AND FERTILIZERS LIMITED
CONDENSED INCOME STATEMENT FOR THE PERIOD ENDING

Particulars	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
	(Rs. in Lakhs)									
<u>Sales Revenue</u>	10639 (100)	9621 (100)	15629 (100)	16830 (100)	13612 (100)	NA	14476 (100)	22401 (100)	22518 (100)	7839 (100)
less: Cost of goods sold	7904 (74)	7143 (74)	10010 (65)	10040 (60)	7915 (58)	NA	12251 (85)	19468 (87)	17964 (80)	6297 (80)
<u>Gross Margin</u>	2735 (26)	2478 (26)	5619 (35)	6790 (40)	5697 (42)	NA	2225 (15)	2933 (13)	4554 (20)	1542 (20)
less: General Expenses	1722 (16)	1537 (16)	3202 (20)	4427 (26)	4202 (31)	NA	2871 (20)	2459 (11)	3487 (15)	1243 (16)
<u>Gross Profit</u>	1013 (10)	941 (10)	2417 (15)	2363 (14)	1495 (11)	NA	-646 (-5)	474 (2)	1067 (5)	299 (4)
add: Non-operating Surplus/ Deficiency Adjustment	620 (6)	520 (5)	87 (1)	-495 (-2)	968 (7)	NA	3630 (25)	335 (1)	85 (0)	-223 (-2)
<u>Profit-before-Interest, Depreciation & Tax</u>	1633 (16)	1461 (15)	2504 (16)	1868 (12)	2463 (18)	NA	2984 (20)	809 (3)	1152 (5)	76 (2)
less: Interest	866 (8)	572 (6)	655 (4)	1109 (7)	1460 (11)	NA	1972 (14)	3307 (15)	3626 (16)	1081 (14)
Depreciation	662 (6)	692 (7)	695 (4)	287 (2)	171 (1)	NA	999 (7)	834 (4)	1454 (6)	351 (4)
<u>Profit-before-Tax</u>	105 (2)	197 (2)	1154 (8)	472 (3)	832 (6)	NA	-152 (-4)	-3332 (-16)	-3928 (-17)	-1356 (-14)
less: Provision for Taxation	-	-	-	-	-	-	1	-	-	-
<u>Net Profit</u>	105 (2)	197 (2)	1154 (8)	472 (3)	832 (6)	NA	-151 (-4)	-3332 (-16)	-3928 (-17)	-1356 (-14)
less: Profit distributed Equity Dividend	-	-	-	-	149 (18)	NA	124 (375)	-	-	-
Pref. Dividend	-	-	-	-	390 (47)	-	39 (309)	-	-	-
<u>Profit retained</u>	105 (100)	197 (100)	1154 (800)	472 (100)	293 (35)	NA	-151 (-16)	-3332 (-16)	-3927 (-17)	-1356 (-14)

Note: Figures in brackets indicate percentages

Source: Compiled from the Financial Statements
of the Unit for the respective years.

Table 5.9
COROMANDEL FERTILIZERS LIMITED
BALANCE SHEETS AS AT

Particulars	As at 31st March									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
										(Rs. in Lakhs)
LIABILITIES										
- Share Capital	1533 (13)	NA	1533 (10)	1671 (10)	1621 (9)	2432 (13)	2432 (12)	2432 (11)	2432 (12)	2432 (9)
- Shareholders Reserve	3176 (27)	NA	3891 (26)	4264 (25)	4796 (26)	3661 (19)	2490 (13)	1482 (7)	2045 (10)	17509 (62)
- Current Liabilities	3041 (25)	NA	3074 (21)	4456 (26)	4991 (27)	6753 (35)	5417 (28)	8118 (38)	7058 (34)	7231 (26)
- Deferred Liabilities	4136 (35)	NA	6283 (43)	6479 (39)	6748 (38)	6356 (23)	9124 (48)	9142 (44)	8932 (44)	928 (3)
Total:	11886 (100)	NA	14781 (100)	16870 (100)	18156 (100)	19202 (100)	19463 (100)	21174 (100)	20467 (100)	28100 (100)
ASSETS										
- Fixed Assets	7541 (64)	NA	10270 (69)	10585 (63)	10497 (58)	11280 (59)	10843 (57)	10376 (49)	10423 (51)	16407 (58)
- Current Assets	4266 (36)	NA	4476 (31)	6215 (37)	7642 (42)	7909 (41)	8547 (43)	10748 (51)	10014 (49)	11693 (42)
- Miscellaneous Assets	50	-	-	-	-	-	-	-	-	-
- Intangible Assets	29	NA	35	70	17	13	73	50	30	-
Total:	11886 (100)	NA	14781 (100)	16870 (100)	18156 (100)	19202 (100)	19463 (100)	21174 (100)	20467 (100)	28100 (100)

Note: Figures in brackets indicate percentages

Source: Compiled from the Financial Statements
of the Unit for the respective years.

Table 5.10
COROMANDEL FERTILIZERS LIMITED
CONDENSED INCOME STATEMENT FOR THE PERIOD ENDING

Particulars	(Rs. in Lakhs)									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<u>Sales Revenue</u>	9072 (100)	NA (100)	10843 (100)	12970 (100)	18827 (100)	17899 (100)	27370 (100)	24732 (100)	28090 (100)	12886 (100)
less: Cost of goods sold	6862 (76)	7975 (74)	9381 (73)	9381 (73)	13883 (74)	13879 (78)	22848 (83)	21101 (85)	20487 (73)	10119 (79)
<u>Gross Margin</u>	2210 (24)	NA (26)	2868 (26)	3589 (27)	4944 (26)	4020 (22)	4522 (17)	3631 (15)	7603 (17)	2767 (21)
less: General Expenses	728 (8)	983 (9)	1379 (10)	1379 (10)	1876 (10)	2392 (13)	1528 (6)	1095 (4)	3393 (12)	1219 (9)
<u>Gross Profit</u>	1482 (16)	NA (17)	1885 (17)	2210 (17)	3068 (16)	1628 (9)	2994 (11)	2536 (11)	4210 (5)	1548 (12)
add: Non-operating Surplus/ Deficiency Adjustment	47 (1)	NA (1)	63 (1)	134 (1)	375 (2)	646 (4)	216 (1)	-222 (0)	125 (0)	3779 (29)
<u>Profit-before-Interest, Depreciation & Tax</u>	1529 (17)	NA (18)	1948 (18)	2344 (18)	3443 (18)	2274 (13)	3210 (12)	2314 (11)	4335 (5)	5327 (41)
less: Interest	304 (4)	NA (4)	410 (4)	948 (7)	1326 (7)	1335 (7)	2571 (9)	2031 (8)	2026 (7)	567 (4)
Depreciation	181 (2)	NA (4)	424 (4)	771 (6)	1099 (6)	1068 (6)	1820 (7)	1290 (5)	1258 (4)	327 (3)
<u>Profit-before-Tax</u>	1044 (11)	NA (10)	1114 (10)	625 (5)	1018 (5)	-129 (0)	-1181 (-4)	-1007 (-2)	1051 (4)	4433 (26)
less: Provision for Taxation	125 (1)	NA	15	25	-	-	-	-	-	1100 (9)
<u>Net Profit</u>	919 (10)	1099 (10)	600 (5)	600 (5)	1018 (5)	-129 (0)	-1181 (-4)	-1007 (-2)	1051	3333
less: Profit distributed Equity Dividend	307 (38)	383 (35)	315 (53)	315 (53)	486 (48)	194 (-149)	-	-	486 (46)	559 (16)
Prof. Dividend	-	-	-	-	-	-	-	-	-	-
Profit retained	612 (62)	716 (65)	285 (47)	285 (47)	532 (52)	-323 (-49)	-1181 (0)	1007 (0)	565 (54)	2774 (84)

Note: Figures in brackets indicate percentages

Source: Compiled from the Financial Statements
of the Unit for the respective years.

Table 5.11
SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED
CONDENSED BALANCE SHEETS

Particulars	As at 31st March									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
	(Rs. in Lakhs)									
LIABILITIES										
- Share Capital	1895 (9)	1895 (9)	1895 (7)	1896 (3)	3562 (5)	3400 (5)	NA	3400 (5)	4300 (6)	4300 (6)
- Shareholders Reserve	1821 (9)	2813 (14)	4915 (18)	32919 (47)	28951 (40)	26786 (39)	NA	24750 (32)	24220 (32)	22299 (32)
- Current Liabilities	11857 (58)	11487 (56)	14038 (52)	25899 (37)	26067 (35)	28046 (41)	NA	35734 (46)	29943 (40)	26489 (38)
- Deferred Liabilities	4728 (24)	4366 (21)	6353 (23)	9334 (13)	14270 (20)	10202 (15)	NA	13166 (17)	16331 (22)	16954 (24)
Total:	20301 (100)	20561 (100)	27201 (100)	70048 (100)	72830 (100)	68434 (100)	NA	77050 (100)	74794 (100)	70042 (100)
ASSETS										
- Fixed Assets	6697 (33)	6791 (33)	6401 (24)	35578 (51)	36833 (51)	35843 (51)	NA	37283 (48)	34667 (47)	33265 (47)
- Current Assets	13222 (65)	13490 (66)	20652 (76)	34320 (49)	34947 (48)	32441 (47)	NA	39603 (52)	39967 (53)	36380 (53)
- Miscellaneous Assets	115 (1)	150 (1)	150 (1)	150 (1)	1050 (1)	150 (1)	NA	164 (1)	160 (1)	170 (1)
- Intangible Assets	267 (1)	130 (1)	-	-	-	-	NA	-	-	227
Total:	20301 (100)	20561 (100)	27201 (100)	70048 (100)	72830 (100)	68434 (100)	NA	77050 (100)	74794 (100)	70042 (100)

Note: Figures in brackets indicate percentages

Source: Compiled from the Financial Statements
of the Unit for the respective years.

Table 5.12
SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED
CONDENSED INCOME STATEMENT FOR THE PERIOD ENDING

Particulars	(Rs. in Lakhs)									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<u>Sales Revenue</u>	47284	28555	50333	52846	39409	38098	NA	55776	80104	83913
less: Cost of goods sold	(100)	(100)	(100)	(100)	(100)	(100)		(100)	(100)	(100)
	32196	21516	36183	35388	26714	29907	NA	39574	52150	59014
	(68)	(75)	(72)	(67)	(68)	(79)		(71)	(65)	(70)
<u>Gross Margin</u>	15088	7039	14150	17458	12695	8191	NA	16202	27954	24899
	(32)	(25)	(28)	(33)	(32)	(21)		(29)	(35)	(30)
less: General Expenses	8989	3447	8778	13082	9599	4657	NA	8241	20342	18458
	(19)	(12)	(17)	(25)	(24)	(12)		(15)	(25)	(22)
<u>Gross Profit</u>	6099	3592	5372	4376	3096	3534	NA	7961	7612	6441
	(13)	(13)	(11)	(8)	(8)	(9)		(14)	(10)	(8)
add: Non-operating Surplus/ Deficiency Adjustment	1652	357	482	3263	2693	964	NA	2391	1137	2393
	(3)	(1)	(1)	(6)	(7)	(3)		(4)	(1)	(3)
<u>Profit-before-Interest, Depreciation & Tax</u>	7751	3949	5854	7639	5789	4498	NA	10352	3749	8834
	(16)	(14)	(12)	(14)	(15)	(12)		(18)	(11)	(11)
less: Interest	2240	1310	989	2617	4144	2518	NA	5950	4579	5075
	(5)	(5)	(2)	(5)	(11)	(7)		(11)	(6)	(6)
Depreciation	1550	1325	1254	821	1156	1378	NA	2691	1804	2184
	(3)	(5)	(2)	(2)	(3)	(4)		(5)	(2)	(3)
<u>Profit-before-Tax</u>	3961	1314	3611	4201	489	602		1711	2366	1575
	(8)	(4)	(8)	(7)	(1)	(1)		(2)	(3)	(2)
less: Provision for Taxation	-	132	1150	300	-	94	NA	325	60	-
	(0)	(0)	(2)	(1)		(6)		(1)	(0)	
<u>Net Profit</u>	3961	1182	2461	3901	489	508	NA	1386	2306	1575
	(8)	(4)	(6)	(6)	(1)	(1)		(1)	(3)	(2)
less: Profit distributed Equity Dividend	-	170	339	339	515	510	NA	680	544	544
		(14)	(14)	(9)	(105)	(101)		(49)	(24)	(35)
Pref. Dividend	-	19	19	19	13	4	NA	-	87	112
		(2)	(1)	(0)	(3)	(1)			(3)	(7)
Profit retained	3961	993	2103	3543	39	-6		706	1675	919
	(100)	(84)	(85)	(91)	(-8)	(-2)		(51)	(73)	(58)

Note: Figures in brackets indicate percentages

Source: Compiled from the Financial Statements
of the Unit for the respective years.

5.2 RATIO ANALYSIS:

(A) Liquidity Management:

Liquidity management of the select units has been analyzed with the help of two ratio, viz. (1) the current ratio, and (2) the liquid ratio.

5.2.1 Current Ratio:

The findings emerging from the analysis presented in Table 5.13 are as under:

1. For the period under review, FACT registered a current ratio between 1.33 and 2.45 times, with an average of 1.91 times and the highest being 2.45 times during 1988;
2. ZACL registered the current ratio between 1.32 and 3.02 times for the period under review, with an average of 1.87 times;
3. GSFC registered the current ratio at an average of 1.70 times in the range between 1.41 and 2.00 times, the maximum having been registered in the year 1983;
4. The current ratio in the case of MCFL for the period under review ranged between 0.89 and 2.15 times, with an average of 1.30 times;
5. The current ratio in the case of CFL ranged between 1.17 and 1.62 times, with an average of 1.30 times during the same period;
6. In the case of SPIC, the current ratio averages at 1.26 times, the highest having been registered in the year 1984.

The average current ratio for the industry is 1.51 times, which is nearer to the professional norm.

5.2.2 Liquid Ratio:

Following observations have emerged from the analysis presented in Table 5.14:

Table 5.13
Current Ratios of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	1.86	1.78	1.75	1.88	2.34	2.11	2.45	2.04	1.33	1.57	1.91
2. ZAFL	1.81	1.77	1.46	2.20	2.27	3.02	-	1.35	1.58	1.39	1.87
3. GSFC	1.63	2.00	1.86	1.63	1.52	1.41	-	1.89	1.95	1.48	1.70
4. MCFL	1.50	1.24	1.46	1.06	1.08	-	1.05	0.89	2.15	1.49	1.30
5. CFL	1.40	-	1.45	1.39	1.53	1.17	1.58	1.32	1.42	1.62	1.43
6. SPIC	1.12	1.17	1.47	1.32	1.34	1.16	-	1.11	1.33	1.37	1.26
								Average			1.58

Table 5.14
Liquid Assets Ratios of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	0.42	0.49	0.60	0.85	1.07	1.03	1.43	1.14	0.63	0.71	0.84
2. ZAFL	1.12	1.20	0.64	0.91	1.12	1.52	-	0.77	0.73	0.75	0.97
3. GSFC	1.03	1.46	1.36	1.04	1.01	0.80	-	1.29	1.41	0.86	1.14
4. MCFL	0.50	0.45	0.61	0.42	0.23	-	0.43	0.58	1.48	1.09	0.58
5. CFL	0.96	-	0.74	0.65	0.79	0.67	0.92	0.84	0.75	1.16	0.83
6. SPIC	0.46	0.48	0.63	0.47	0.47	0.65	-	0.68	0.73	0.82	0.59
								Average			0.831

1. In the case of FACT, it is observed that the liquid ratio varied between 0.42 to 1.43 times for the period under review;
2. In the case of ZACL, this ratio is found to be inconsistent for the period under view. The variation remains between 0.64 and 1.54 times, with an average of 0.97 times;
3. GSFC registered a higher liquid ratio as compared to other units being studied;
4. MCFL has registered an erratic behaviour in respect of the current ratio for the period under review with an average of 0.58 times;
5. The liquid ratio of CFL has averaged at 0.83 times for the period under review;
6. Relatively low liquid ratio has been registered by SPIC for the period of ten years under review.

It can, therefore, be concluded that the liquid ratio of the select units ranged between 0.58 and 1.14 times; while the maximum liquid ratio was registered by the GSFC. The average for the industry has been revealed to be 0.77 times, which is just below the industrial average of 1:1.

(B) Capital Structure Management:

The fertilizer industry is a highly capital-intensive industry and, therefore, depends, to a large extent, on borrowed finance. This is reflected in the individual unit's debt:equity ratio. Accordingly, for conducting an assessment of management of capital structure, Debt:Equity ratio has been computed (refer Table 5.15), from which the following observations have emerged:

Table 5.15
Debt Equity Ratios of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	2.20	2.55	1.82	1.29	0.43	0.51	0.44	0.49	0.55	0.16	1.10
2. ZAFL	1.18	1.13	1.05	1.37	1.19	1.05	-	1.68	1.34	1.30	1.25
3. GSFC	0.74	0.65	0.85	1.06	1.23	1.52	-	1.92	1.22	1.69	1.21
4. MCFL	3.11	7.85	4.64	6.52	7.66	-	10.61	-	82.58	-	17.57
5. CFL	1.52	-	1.72	1.84	1.82	2.15	2.95	4.40	3.57	0.40	2.26
6. SPIC	4.46	3.36	2.99	1.01	1.24	1.26	-	1.73	1.62	1.63	2.14
										Average	4.255

Table 5.16
Solvency Ratios of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	69	72	65	56	41	34	31	33	36	43	48
2. ZAFL	70	53	51	58	54	51	-	63	57	57	57
3. GSFC	43	39	46	48	55	60	-	66	72	63	55
4. MCFL	90	89	82	87	88	-	91	97	99	-	91
5. CFL	60	-	63	65	65	69	69	82	78	29	64.4
6. SPIC	82	77	75	50	55	56	-	63	62	62	64.6
										Average	63.33

5.2.3 Debt:Equity Ratio:

1. In the case of FACT, during earlier years, the debt:equity ratio was higher, indicating a heavy debt financing; while in the latter years, the ratio has declined, indicating less dependence on the borrowed funds. The Company's average for the period under review has remained around 1.80 times;
2. In the case of ZACL, the debt:equity ratio, to a large extent, has remained constant with an average of 1.25 times, indicating the Company's greater reliance on the borrowed funds;
3. In the case of GSFC, the debt:equity ratio has remained on the higher side (around 1.92 times) until 1989, which in other words, indicates the Company's greater reliance on debt finance;
4. In the case of MCFL, right since beginning, the Company's debt:equity ratio is very very high, indicating the Company's extensive reliance on debt finance;
5. CFL is also using maximum debt finance in its affairs;
6. In the case of SPIC, for the three earlier years, this ratio has remained very much on the higher side, indicating heavy initial debt finance. It has varied from 1.01 to 4.46 times (with an average of 2.14 times) for the period under review.

5.2.4 Solvency Ratio:

The solvency ratio establishes the relationship between the total assets and the total liabilities, indicating as to how the business is financed from outside sources. The observations that have emerged from the analysis presented in Table 5.16 are as under:

1. In the case of FACT, the assets were financed by the outsiders funds in the range of 31 to 72% in the initial period, when the

percentage of financing the assets through borrowed funds was higher. Over all, the average for the study period is at 48%;

2. In the case of ZACL, percentage of the borrowed finance was highest at 70% and the lowest at 51% during the period under review. On an average, it has remained at 57%;
3. For the GSFC, the solvency ratio has varied between 39% and 72% (with an average of 55%) during the period under review, which indicates that nearly half the assets were financed through borrowings;
4. In the case of MCFL, the percentage of the borrowed finance was relatively higher, varying between 82% and 97%;
5. In the case of CFL, the ratio has varied between 29 and 82%, indicating an absence of a fixed policy as to the inclusion of borrowed finance in the capital structure. The company has, on an average, relied upon 64.5% borrowed finance during the period under review;
6. In the case of SPIC, this ratio varied between 50% to 82%, with an average 64.6%;

In conclusion, it may be stated that a higher percentage of borrowed finance is an inevitable part of the fertilizer industry.

(C) Assets' Utilization Management:

For the purpose of understanding the operating efficiency of the select fertilizer units, the following activity ratios have been calculated for a period of ten years (1982-1991):

1. Inventory Turnover Ratio,
2. Debtors' Turnover Ratio,
3. Working Capital Turnover Ratio,
4. Total Assets Turnover Ratio,
5. Fixed Assets Turnover Ratio,
6. Current Assets Turnover Ratio,

5.2.5 Inventory Turnover Ratio:

This ratio indicates whether the inventory has been efficiently used or not. It also indicates the number of times the stock has been turned over during the period and evaluates the efficiency with which a firm is able to manage its inventory. From Table 5.17, following observations have been made:

1. In case of FACT, this ratio shows increase in turnover with an average of approximately three times;
2. CFL has registered the highest average of this ratio at 4.33 times;
3. Among all the units, CFL and ZACL indicate the inventory turnover ratio at higher than the average.

5.2.6 Debtors Turnover Ratio:

This ratio indicates the number of times the debtors are turned over during the year and implies the efficiency with the management of debtors. Table 5.18 reveals that -

1. On an average, the debtors' turnover remained six times in case of the fertilizer units for the period covered under study and varied between 2.2 and 18.73 times;
2. Except for GSFC and SPIC, the remaining four units indicated a higher turnover than the average;

Table 5.17
Inventory Turnover Ratios of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	2.00	2.00	2.52	2.82	3.21	2.46	3.41	4.33	3.65	2.74	2.91
2. ZAFL	5.00	6.00	3.00	3.00	4.00	4.00	-	5.00	3.00	4.00	4.11
3. GSFC	3.00	3.00	4.00	3.00	4.00	2.00	-	3.00	2.00	3.00	3.00
4. MCFL	2.00	2.00	2.00	1.00	0.50	-	0.89	3.00	4.00	-	1.71
5. CFL	5.00	-	4.00	3.00	4.00	4.00	4.00	6.00	5.00	4.00	4.33
6. SPIC	4.00	3.00	3.00	2.00	1.00	2.00	-	3.00	3.00	5.00	2.88
										Average	3.15

Table 5.18
Debtors Turnover Ratios of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	13.00	10.00	9.80	8.60	8.00	4.90	5.80	7.90	6.50	3.60	8.31
2. ZAFL	6.04	9.00	9.35	10.50	7.30	6.77	-	13.70	11.40	18.73	10.31
3. GSFC	7.60	4.00	4.30	5.30	3.30	2.50	-	3.20	2.90	3.90	4.11
4. MCFL	13.80	5.40	9.60	4.10	15.70	-	2.20	2.30	3.40	-	7.06
5. CFL	3.32	-	6.73	8.31	2.44	5.19	8.36	6.18	11.56	4.94	6.33
6. SPIC	10.70	5.80	6.40	4.80	3.40	2.40	-	2.50	6.70	4.00	5.18
										Average	6.88

3. In case of ZACL, the ratio varied between 6.04 and 18.73 times, with an average of 10.31, which indicates higher efficiency in the management of debtors;
4. In case of GSFC, the ratio showed a decreasing trend during the period 1982-1991;
5. ZACL has registered the highest debtors turnover ratio which is 18.73 times.

5.2.7 Working Capital Turnover Ratio:

To examine the adequacy of the working capital, the working capital turnover ratio has been calculated. Table 5.19 indicates that -

1. On an average, the ratio rotated about five times during 1982-91 in the units being considered, which can be said to be a reasonably fair working capital ratio;
2. In the case of MCFL, the Company has shown a negative working capital turnover ratio during 1989;
3. SPIC and CFL have registered a higher working capital turnover ratio, as compared to other units;
4. In the case of GSFC, the ratio is excessively lower, about half the average;
5. SPIC has registered the highest working capital turnover ratio, i.e. at 23 times, in the year 1982.

5.2.8 Total Assets Turnover Ratio:

The total investment in an enterprise is characterized by the total assets, which comprise fixed as well as current assets.

Table 5.19
Working Capital Turnover Ratios of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	2.00	2.00	3.00	3.00	4.00	3.00	5.00	8.00	4.00	3.00	3.40
2. ZACL	4.00	6.00	3.00	3.00	3.00	-	8.00	5.00	6.00	4.00	3.66
3. GSFC	2.00	2.00	4.00	4.00	3.00	-	3.00	2.00	3.00	3.00	2.88
4. MCFL	7.00	4.00	13.00	6.00	-	12.00	-9.87	3.00	1.45	5.00	4.62
5. CFL	-	6.00	5.00	5.00	12.00	7.00	8.00	7.00	2.00	5.00	6.33
6. SPIC	11.00	6.00	4.00	3.00	7.00	-	10.00	5.00	6.00	23.00	8.33
										Average	4.87

Table 5.20
Total Assets Turnover Ratio

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	0.83	0.87	1.14	1.33	1.22	0.91	0.81	0.81	0.61	0.64	0.91
2. ZACL	1.54	1.54	1.46	1.62	1.74	1.62	-	1.79	1.47	1.50	1.58
3. GSFC	0.94	0.95	0.88	1.10	0.93	0.71	-	0.97	0.80	0.62	0.87
4. MCFL	1.34	1.07	1.27	0.84	0.53	-	0.44	0.84	1.00	0.35	0.91
5. CFL	0.76	-	0.75	0.76	1.03	0.93	1.40	1.06	1.37	0.65	0.96
6. SPIC	2.32	1.38	1.85	0.75	0.54	0.55	-	0.72	1.07	1.19	1.21
										Average	1.07

For conducting an activity analysis in terms of total investment, total assets turnover ratio is computed. From the total assets turnover ratio (Table 5.20), following observations have been made:

1. This Table reveals that the average of this ratio is 1.07 times in the select units which shows an effective utilization of the total assets;
2. In case of GSFC, this ratio registered the highest among all the units for the period under review;
3. The highest total assets turnover ratio was registered by SPIC at 2.32 times in the year 1982;
4. In the case of SPIC and ZACL, this ratio registered higher than the average, which reveals effective utilization of total assets.

5.2.9 Fixed Assets Turnover Ratio:

This ratio is important measure of judging the efficiency in the use of fixed assets. This ratio indicates the relationship between the fixed assets and the sales. Following observations have emerged from the fixed assets turnover ratio of the select fertilizer units for the period under review (refer Table 5.20):

1. Fixed assets turnover ratio reveals that the average of medians is 2.44 times, which is very much lower than the standard inevitable for the industry;
2. ZACL, SPIC and GSFC have their ratios higher than the average; the highest among them being 6.02 times for ZACL. The remaining three units have their averages below the median.
3. CFL registered a lower average among all the select units, which is 1.69 times, and varied between 0.78 to 2.69 times;

Thus, it can be concluded that the fixed assets of ZACL are being efficiently utilized; on the other hand, the fixed assets of CFL are not being used efficiently.

5.2.10 Current Assets Turnover Ratio:

This ratio is obtained by dividing the figure of sales by the amount of current assets. A higher turnover ratio indicates greater circulation of current assets. An effective utilization of current assets affects the capital turnover rate, which is an important element of profitability.

Following observations have emerged from Table 5.21 about the current assets turnover ratio:

1. ZACL indicates the highest average of current assets turnover ratio among the select units which varied between 2.13 to 2.58;
2. In case of GSFC and MCPL, averages are below the median, which indicates inefficient utilization of current assets;
3. CFL shows a higher current assets turnover ratio, with an average of 2.3 times.

(D) Profitability Analysis:

Profit earning is essential for the survival of a business enterprise. In the words of Lord Keynes, "Profit is the engine that drives the business enterprise". A business needs profit for existence, expansion and diversification. Profits are useful measure of overall efficiency of a business. Profitability ratios are calculated to measure the overall efficiency.

Profitability of the select fertilizer units is assessed with the help of the following ratios:

Table 5.21
Fixed Assets Turnover Ratios of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	2.06	2.37	2.86	3.95	2.85	1.97	1.36	1.16	0.83	1.03	2.04
2. ZAFL	4.20	4.27	3.37	5.44	6.26	6.41	-	10.42	7.19	6.62	6.02
3. GSFC	2.66	2.97	4.75	4.79	4.50	2.75	-	3.07	2.23	1.17	3.21
4. MCFL	3.23	2.51	3.16	2.50	1.77	-	1.64	2.53	2.79	-	2.51
5. CFL	1.20	-	1.05	1.22	1.79	1.58	2.52	2.38	2.69	0.78	1.69
6. SPIC	7.06	4.20	7.86	1.48	1.06	1.06	-	1.49	2.31	2.52	3.22
										Average	3.12

Table 5.22
Current Assets Turnover Ratio of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	1.43	1.41	1.92	2.02	2.16	1.69	2.04	2.68	2.33	1.74	1.94
2. ZAFL	2.42	2.40	2.58	2.34	2.42	2.17	-	2.45	2.13	2.21	2.34
3. GSFL	1.47	1.34	1.63	1.50	1.42	1.08	-	1.45	1.27	1.34	1.38
4. MCFL	2.33	1.89	2.15	1.28	0.77	-	0.61	1.26	1.76	-	1.50
5. CFL	2.12	-	2.42	2.08	2.46	2.26	3.20	2.30	2.80	1.10	2.30
6. SPIC	3.57	2.11	2.43	1.54	1.51	1.17	-	1.41	2.00	2.30	1.99
										Average	1.91

Profitability in relation to Sales:

For the assessment of profitability in relation to sales; it is analyzed with the help of the following ratios:

5.2.11 Gross Profit Ratios:

Gross profit ratio measures the relationship between the gross profit to net sales. Following observations have emerged from the gross profit ratio of the select fertilizer units for the period under review (refer Table 5.23):

1. In the case of FACT, it is observed that the gross profit ratio varied from 4% to 13%, on an average, 8.4%;
2. In case of ZACL, in the initial period, the gross profit ratio was higher and in the latter period, it has been declining, which indicates inefficiency in the latter period;
3. In the case of GSFC, lower gross margin is indicated in the year 1986, i.e. 8.10%, and a higher gross margin in the year 1991, i.e. 16.37%. The average for the period under review is 13.24%;
4. The gross profit ratio of MCFL varied between 4.46% to 15.46% (with an average of 8.11%). In the year 1988, the Company has shown a gross loss of 4.46%;
5. The percentage of gross profit is relatively higher in case of CFL, which on an average is 13.81%;
6. In the case of SPIC, gross profit ratio has declined except in the year 1989 during the study period.

5.2.12 Net Profit Ratios:

Net profit ratio is the overall measure of firm's ability. This ratio is very useful to achieve a satisfactory return on investment and it

Table 5.23
Gross Profit Ratios of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	6.00	8.00	8.00	11.00	6.00	13.00	12.00	10.00	4.00	6.00	8.40
2. ZACL	17.00	14.00	16.00	14.00	11.00	11.00	-	10.00	9.00	10.00	11.20
3. GSFC	15.16	12.86	12.80	14.26	8.10	10.59	-	14.51	14.51	16.37	13.24
4. MCFL	9.52	7.78	15.46	14.04	10.98	-	-4.46	2.12	4.74	4.00	8.11
5. CFL	16.33	-	17.38	17.04	16.29	9.10	10.94	10.25	14.98	12.01	13.81
6. SPIC	12.90	12.58	10.67	8.28	7.86	9.28	-	14.27	9.50	17.67	10.55
										Average	10.89

Table 5.24
Net Profit Ratios of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	-6.00	-4.00	-	6.00	4.00	13.00	4.00	2.00	1.00	5.00	2.50
2. ZACL	9.00	4.00	8.00	2.00	7.00	3.00	-	3.00	3.00	4.00	4.77
3. GSFC	8.32	11.45	7.04	6.80	6.36	9.84	-	7.19	7.52	8.73	8.32
4. MCFL	1.00	2.04	7.38	2.80	6.11	-	-4.00	-14.80	-17.40	-16.00	-3.60
5. CFL	8.00	-	10.13	4.62	5.40	0	-3.00	-3.00	4.00	26.00	5.79
6. SPIC	8.00	4.00	5.00	7.00	1.00	1.00	-	2.00	3.00	2.00	3.70
										Average	3.58

indicates the firm's capacity to face adverse economic conditions. Following observations have emerged from the interpretation of Table 5.24 about the net profit ratio of the select units for the period under review.

1. In the case of FACT, it is observed that for the initial three years of the review period, the Company did not make any profit but incurred a loss of -6% and -4% for the years 1982 and 1983, respectively;
2. ZACL has, on an average, maintained a profit margin of 4.77%, which is higher than the average of medians of the select units. This indicates a satisfactory position of the Company;
3. In the case of GSFC, net profit ratio shows a higher profitability, as compared to other units during the period under review, with an average of 8.32%;
4. In the case of CFL, the net profit ratio indicates higher profitability in the initial period but after 1987, the Company has suffered losses;
5. In the case of SPIC, the net profit ratio varied between 1 and 8%, with an average of 3.7%.

Profitability in relation to Investment:

The profitability of the select units has been analyzed in two senses under this head:

5.2.13 Return on Total Capital Employed:

This ratio establishes the relationship between profits and the total capital employed and is widely used for measuring the overall profitability and efficiency of the business. Following observations have emerged from interpreting Table 5.25:

Table 5.25
Return on Total Capital Employed of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	-0.29	2.77	7.08	15.43	8.39	16.00	4.33	2.09	1.00	4.95	6.17
2. ZAFL	21.36	13.12	18.49	12.88	22.59	11.97	-	14.02	12.82	12.91	15.57
3. GSFC	16.74	17.34	10.55	14.11	10.86	15.41	-	16.61	11.52	10.51	13.74
4. MCFL	15.16	12.94	21.60	12.36	12.43	-	8.20	-0.11	-1.60	1.57	10.12
5. CFL	11.62	-	11.42	10.53	14.67	7.17	8.15	5.45	17.96	15.86	11.42
6. SPIC	42.67	20.10	22.37	11.31	7.15	4.76	-	11.10	10.45	10.68	15.62
										Average	12.10

Table 5.26
Net Profit to Total Assets of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	-5.00	-3.00	-	9.00	5.00	12.00	3.00	2.00	1.00	3.00	5.00
2. ZAFL	12.00	5.00	11.00	4.00	12.00	3.00	-	6.00	5.00	6.00	7.11
3. GSFC	9.00	11.00	5.00	8.00	6.00	7.00	-	7.00	6.00	5.00	7.11
4. MCFL	1.00	2.00	9.00	2.00	1.00	-	-	-12.00	-16.00	-	3.00
5. CFL	7.00	-	7.00	4.00	6.00	-	-5.00	-4.00	5.00	12.00	6.83
6. SPIC	20.00	6.00	9.00	6.00	1.00	1.00	-	2.00	3.00	2.00	5.55
										Average	5.77

1. In the case of FACT, this ratio varied between -0.29 to 16.0%, with an average of 6.17%. The Company has reported highest return at 16% on the total capital employed in 1987;
2. The Table reveals that the return on the total capital employed is on an average (12.10%);
3. SPIC, ZACL and GSFC have indicated higher rate of return on the total capital employed than the average of median, which shows efficiency of these units;
4. FACT has registered this ratio on an average at 6.17%, which is much lower than the average for the industry;
5. SPIC has registered the highest return on total capital employed at 42.67% for the year 1982.

5.2.14 Return on Total Assets:

This ratio indicates the relationship between the net profit to total assets and measures the overall efficiency and profitability of the enterprise. Following observations have emerged from the interpretation of Table 5.26 in respect of this ratio:

1. The Table indicates that in the select fertilizer units, return on total assets, on an average, is 5.28%, as revealed by the average, which is much lower than the standard rate of 10-12% suggested;
2. For ZACL, GSFC, CFL and SPIC, this ratio is higher than the average of medians. The averages of the remaining two concerns are below the average.
3. SPIC has registered the highest rate of return on total assets at 20% in the year 1982;
4. In the case of MCFL, this ratio is too lower than the average for the industry.

The return on total assets in the select units has been at 6.78%, which is much lower than the desired norm. The position of FACT and MCFL is not at all satisfactory in this respect.

5.3 TREND ANALYSIS:

5.3.1 Share Capital:

The share-capital of the selected fertilizers units shows the following trends (refer Table 5.27):

1. The average is 145%, which is approximately one and half times of the base year increase in the share capital;
2. Averages of FACT and GSFC are more than the average of the industry; obviously, the share capital of these two units during the period under review has increased;
3. Share capital of the ZACL decreased by 0.67 percent after the year 1985;
4. Share capital of the CFL has remained constant after the year 1987;
5. Share capital of the SPIC has increased after the year 1985.

5.3.2 Net Worth:

The net worth of the select fertilizer units has shown the following trends during the period under review (refer Table 5.28):

1. Overall for all the units, the average has increased by 268%, meaning that the net worth of the industry has increased by about 3 times;
2. SPIC registered a higher net worth trend varied between 100 to 936, with an average of 585;
3. Only SPIC and FACT have shown their average net worth over and above the average for all the units, the remaining four units have

Table 5.27
Trend Analysis of Share Capital of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	100	102	109	119	146	188	236	257	270	273	172
2. ZACL	100	100	100	99	99	99	-	99	99	99	99
3. GSFC	100	100	131	136	132	171	-	171	280	375	177
4. MCFL	100	100	100	100	100	-	100	100	100	407	134
5. CFL	100	-	100	105	105	105	158	158	158	158	133
6. SPIC	100	100	100	100	187	179	-	179	226	226	155
										Average	145

Table 5.28
Trend Analysis of Net Worth of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	100	93	107	161	235	391	510	567	600	644	344.5
2. ZACL	100	105	126	128	161	163	-	177	187	203	150
3. GSFC	100	117	127	139	155	179	-	214	346	402	198
4. MCFL	100	124	265	324	360	-	342	-67	30	-	185
5. CFL	100	-	115	125	136	129	105	83	95	423	146
6. SPIC	100	127	183	936	874	812	-	757	767	715	585
										Average	268

remained below the industry average;

4. In the case of MCFL, in 1989, the Company showed a negative net worth, which had raised to only 30% by 1990 from the base year 1982.

5.3.3 Total Assets:

Total assets trend analysis shows following trends (refer Table 5.29):

1. Total assets of almost all the select units have increased substantially during the review period, which shows a good performance of the industry as a whole;
2. The industry average for total assets has increased by about two times over the base year 1982;
3. In the case of SPIC, MCFL and GSFC, the trend analysis indicates a higher average than the industry average;
4. GSFC has registered the highest trend for total assets in the year 1992 at more than six times over the base year 1982;
5. SPIC has registered the highest average among all the units at 273.80%.

5.3.4 Fixed Assets:

Fixed assets holding of the select fertilizer units has shown the following trends (refer Table 5.29):

1. Fixed assets of almost all the units have increased during the review period;
2. Average of fixed assets trend for SPIC has been more than for the whole industry during the review period;
3. Fixed assets of the FACT had declined in the years 1983 and 1984.

5.3.5 Current Assets:

Current assets trend analysis shows the following (refer Table 5.29):

1. Current assets of all the six units increased substantially during the period under review;
2. The industry average recorded a two times increase during the period under review;
3. Maximum increase in the current assets is shown by the MCFL, with an average of 280;
4. MCFL and GSFC indicate higher averages over the industry average;
5. The lowest trends have been shown by the FACT, followed by the ZACL and CFL.

5.3.6 Inventory:

Inventory holding of the select fertilizer units has shown the following trends (refer Table 5.30):

1. Inventory holding of all the units had increased considerably during the period under review;
2. Maximum inventory holding has been registered by the GSFC, which is in conformity with its overall performance and profitability;
3. Inventory holding of the MCFL has declined in the years 1989 and 1990,

5.3.7 Sundry Debtors:

Trend analysis of the units shows the following (refer Table 5.31):

1. Sundry debtors of FACT have gone on increasing continuously upto the year 1987, but they reduced considerably by the year 1990;
2. MCFL shows the maximum sundry debtors in 1988, 1989 and 1990, indicating that the Company extends liberal credit policies;
3. Although the sundry debtors the industry as a whole have increased

Table 5.30
Trend Analysis of Inventory of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	100	103	83	95	89	117	95	87	93	164	
2. ZACL	100	88	158	236	245	236	-	283	310	277	
3. GSFC	100	93	110	176	186	316	-	329	513	480	
4. MCFL	100	102	133	248	439	-	434	204	124	NA	
5. CFL	100	0	165	249	277	254	266	295	354	247	
6. SPIC	100	102	151	285	291	181	-	198	234	152	

Table 5.31
Trend Analysis of Sundry Debtors of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	100	158	192	312	330	593	565	474	297	463	
2. ZACL	100	69	63	84	153	145	-	112	102	68	
3. GSFC	100	137	144	165	284	384	-	400	624	533	
4. MCFL	100	231	211	528	362	-	845	1238	854	-	
5. CFL	100	-	76	73	362	162	154	188	114	123	
6. SPIC	100	111	177	249	259	358	-	507	102	470	

Table 5.32
Trend Analysis of Sundry Creditors of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	100	104	65	94	59	70	96	64	89	213	
2. ZAFL	100	106	136	204	221	96	-	208	209	251	
3. GSFC	100	103	155	187	188	288	-	332	468	598	
4. MCFL	100	203	247	465	430	-	531	336	183	-	
5. CFL	100	-	103	161	150	193	213	211	255	256	
6. SPIC	100	131	190	205	130	73	-	174	142	122	

Table 5.33
Trend Analysis of Current Liabilities of Fertilizer Industry

Unit	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Average
1. FACT	100	114	102	128	95	150	119	124	182	265	138
2. ZAFL	100	105	131	126	148	108	-	338	252	298	178
3. GSFC	100	101	130	177	218	312	-	326	366	494	247
4. MCFL	100	136	164	407	390	-	534	471	197	-	299.8
5. CFL	100	-	101	147	164	222	178	266	234	237	183
6. SPIC	100	97	118	218	220	236	-	301	252	223	196
											Average
											207

considerably over the base year 1982, these have decreased for ZACL in the years 1983, 1984 and 1985 and for CFL in the years 1984 and 1985.

5.3.8 Sundry Creditors:

Sundry creditors of the select units have shown the following trends (refer Table 5.32):

1. Sundry creditors of almost all the units, except FACT, have increased substantially during the period under review;
2. Maximum sundry creditors have been registered by the GSFC in the year 1991;
3. Sundry creditors of FACT have gone on decreasing upto the year 1991.

5.3.9 Current Liabilities:

Current liabilities trend analysis of the select units shows the following (refer Table 5.33):

1. Current Liabilities in respect of almost all the units have increased substantially;
2. Current liabilities average for the industry as a whole was recorded at 207 during the review period ;
3. MCFL and GSFC registered their current liabilities averages higher than the industry average;
4. Current liabilities average for the whole industry varied between 138 to 299.8% during the period under review.

This concludes the presentation and interpretation of the data under this investigation. The observations and the suggestions emerging from this exercise are being presented in the following Chapter.