

ANALYSIS AND FORECASTING OF FINANCIAL STATEMENTS

&

VALUATION OF "RAFHAN MAIZE PRODUCTS CO. LTD"

FINAL PROJECT



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Abstract

This is a descriptive and quantitative study on analysis of financial statements of Rafhan maize Products Ltd. The aim of this research work is to evaluate financial success and strength of the above mentioned firm. Researchers did financial analysis of RMPL of recent previous five years from 2005 to 2009.

In this study primary as well as secondary data was collected. Source of primary data used is telephone. However, this study is based more upon secondary data. Sources of secondary data include; annual reports of Rafhan Maize Product Ltd and five other companies of this sector, internet, journals, newspaper and etc.

Financial analysis in this study includes; horizontal & vertical analysis, financial ratios analysis, industry analysis, forecasting, valuation of firm and economic analysis.

Through this study the fair value of Rafhan maize was estimated as PKR 2824.98 per share and firm's value was estimated after deduction of debts PKR 27,681,739. Financial performance of Rafhan maize product ltd was better. However it is needed to improve its operating cycle. This will reduce the inventory turnover days and trade receivables days.

Keywords: Forecasting, discounted cash flows, free cash flows, valuation, WACC.

Dedication

We would like to dedicate this project to: our parents, our family, our teachers, our friends, our spiritual mentor and all those who directly or indirectly provide us support and keep our morale up.

Acknowledgement

Cordially submissions and praises to Almighty ALLAH, the most merciful, the most beneficent and source of all knowledge and wisdom that enable and strengthen us to complete this Research.

TABLE OF CONTENTS

1	Introduction	2
1.1	Broad Problem Area/ Background:	2
1.2	Rational of the Study:	3
1.3	Problem Statement:	3
1.4	Theoretical frame work:	4
1.5	Objectives of the study:	4
1.6	Research methodology:	4
1.6.1	Type of study:	4
1.6.2	Instruments and measures:	5
1.6.3	Data collection:	5
1.6.4	Scope & limitations:	5
2	Literature Review	8
3	Industry overview/Industry Analysis	14
3.1	International Food industry:	16
3.2	Food Business:	18
4	Organizational Overview	23
4.1	Brand & Products	27
5	Economic Analysis:	29
5.1	Economic Environment:	29

5.2	Gross Domestic Product (GDP):	31
5.3	Foreign Direct Investment (FDI):	33
5.4	Per Capita Income:	35
5.5	Inflation:	36
6	Financial Statements Analysis	40
6.1	Horizontal (Index) analysis:	40
6.1.1	Balance sheet analysis:	40
6.1.2	Profit and loss account:	43
6.2	Vertical (common size) analysis:	45
6.2.1	Balance sheet analysis:	45
6.2.2	Profit and loss account:	48
6.3	Financial Ratios analysis:	50
6.3.1	Activity Ratios:	50
6.3.2	Liquidity Ratios:	54
6.3.3	Financing:	59
6.3.4	Profitability Ratios:	62
6.3.5	Investments:	65
6.4	Forecasting:	76
6.5	Valuation:	78
6.5.1	Free cash flows:	78

6.5.2	Discounted cash flows:	79
6.5.3	WACC:	81
6.5.4	Price earnings ratio:	82
6.5.5	Short Comings:	83
7	Possible Options	85
8	Conclusion & Recommendations:	87
9	Bibliography	90
10	Appendixes:	94
10.1	Balance sheet:	94
10.2	Income statement:	95
10.3	Financial Ratios:	96
10.4	Horizontal Analysis of Profit & loss account:	98
10.5	Horizontal Analysis of balance sheet:	99
10.6	Vertical analysis of Profit and loss account: ...	101
10.7	Vertical analysis of Balance Sheet:	102
10.8	Assumption sheet:	104
10.9	Forecasting:	105
10.10	Valuation through DCF:	107
10.11	Valuation through Price earnings ratio:	108

List of Tables:

Table 3 - 1.....	20
Table 3 - 2.....	21
Table 3 - 3.....	21
Table 4 - 1.....	25
Table 4 - 2.....	26
Table 5 - 1.....	32
Table 5 - 2.....	34
Table 5 - 3.....	35
Table 5 - 4.....	37
Table 5 - 5.....	38
Table 6 - 1.....	51
Table 6 - 2.....	52
Table 6 - 3.....	53
Table 6 - 4.....	55
Table 6 - 5.....	58
Table 6 - 6.....	60
Table 6 - 7.....	61
Table 6 - 8.....	62
Table 6 - 9.....	64
Table 6 - 10.....	65
Table 6 - 11.....	67

Table 6 - 12.....	68
Table 6 - 13.....	69
Table 6 - 14.....	70
Table 6 - 15.....	71
Table 6 - 16.....	73
Table 6 - 17.....	74
Table 6 - 18.....	76

List of figures:

Figure 6 - 1.....	51
Figure 6 - 2.....	52
Figure 6 - 3.....	54
Figure 6 - 4.....	55
Figure 6 - 5.....	59
Figure 6 - 6.....	60
Figure 6 - 7.....	61
Figure 6 - 8.....	63
Figure 6 - 9.....	64
Figure 6 - 10.....	66
Figure 6 - 11.....	67
Figure 6 - 12.....	68
Figure 6 - 13.....	69

Figure 6 - 14.....	71
Figure 6 - 15.....	72
Figure 6 - 16.....	73
Figure 6 - 17.....	75
Figure 6 - 18.....	77