

# **“FUTURE PROSPECTS OF ENGRO FERTILIZER IN VIEW OF HEAVY DEBTS ON ITS BALANCE SHEET”**

**A thesis  
Presented to The  
Faculty of  
Management Sciences  
Bahria Institute of Management & Computer Sciences, Karachi**

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**In Partial Fulfillment  
Of the Requirements for the  
Degree of Master of Business Administration**

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**By**

**MUHAMMAD ZAIN**

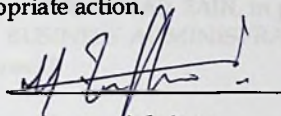
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**JUNE, 2012**

**RECOMMENDATION FOR THE ORAL EXAMINATION**

This Project/ thesis hereto attached, entitled, "**FUTURE PROSPECTS OF ENGRO FERTILIZER IN VIEW OF HEAVY DEBTS ON ITS BALANCE SHEET**" Prepared and submitted by **MUHAMMAD ZAIN** ,in partial fulfillment of the requirements for the degree **MASTER IN BUSINESS ADMINISTRATION**, is hereby recommended for appropriate action.

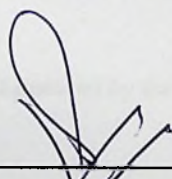
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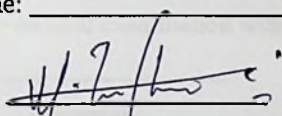
  
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**PROJECT/THESIS COMMITTEE**

In partial fulfillment of the requirement for the **MASTER IN BUSINESS ADMINISTRATION**, this thesis entitles, "**FUTURE PROSPECTS OF ENGRO FERTILIZER IN VIEW OF HEAVY DEBTS ON ITS BALANCE SHEET** " is hereby recommended for  
Oral Examination.

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## ABSTRACT

The debate on Capital structure has been living for many decades but the main dispute for researchers is whether the capital structure positively or negatively impacts firm value. The main purpose of this research is to assess existing and future prospect of Engro Fertilizer in view of heavy debts on its balance sheet. Talk of the town among analysts is whether Engro Fertilizer will be able to pay off its debt on time without re-structuring its outstanding loans. This paper contains the detailed analysis on long term borrowings of Engro Fertilizer from 2008 to first quarter of calendar year 2012 (1QCY12). This research study also estimates the company's current financial position and its ability to repay its huge debts going forward. Moreover, this study analyzes and explores the excessive debt problems on the profitability of the company. In addition, research paper also focuses on the current and future situation of gas in the country. Furthermore, given the massive "Gas curtailment" in the country, this report considers how the gas curtailment issue impacts fertilizer business of Engro Fertilizer.