

# Marketing Finance

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YP Bholra, CGM (F&A) NFL.

## Profitability Analysis (Traded Goods)

Product	Sale Quantity (LMT)	Amount (Rs Crs)	Sale Quantity (LMT)	Amount (Rs Crs)
	FY 2017-18		FY 2016-17	
DAP	3.28	67.36	2.14	47.06
MOP	0.27	4.81	-	-
APS	0.26	4.14	-	-
NPK	NIL	-1.27	-	-
Others		5.01		4.42
Expenses Allocation		-3.34		-0.75
<b>TOTAL</b>	<b>3.81</b>	<b>76.71</b>	<b>2.14</b>	<b>50.73</b>

## Marketing Cost Analysis (Urea)

Rs PMT

Element of Cost	FY 2017-18	FY 2016-17	Variance
Rake Handling	54.62	52.67	1.95
Warehouse Handling	34.22	37.76	-3.54
Warehouse Rent	31.07	35.89	-4.82
Rebates & Discounts	62.42	62.98	-0.56
Promotion & Publicity	3.82	3.54	0.28
Adm. Overheads	11.78	18.42	-6.64
Salary & Wages	205.51	135.38	70.13
<b>Sub Total</b>	<b>403.44</b>	<b>346.64</b>	<b>56.80</b>
Freight Expenses	230.85	230.75	0.10
<b>Grand Total</b>	<b>634.29</b>	<b>577.39</b>	<b>56.90</b>

## Cost Reduction - Value Addition

- The analysis of the proposals for expenses to be focused more on Value Addition instead of Cost Reduction.

## Way Forward - Challenges

- ▶ RFCL Urea 12.37 LMT sale by the company and extension of Marketing Territory in Southern States.
- ▶ Increase in volume of Traded goods over the years.
- ▶ GST implications and returns/ assessments in more than 20 states, the system is still evolving.
- ▶ ERP Implementation and system driven controls.
- ▶ Manpower limitations.

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Thanks

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