ABSTRACT
Performance appraisal is the process which analyzes the various aspects of the performance of an organization, so as to provide focus on the opportunities and treats to business environment. The purpose of organizational appraisal is to determine the organizational capability in terms of strengths and weaknesses that lie in the different functional areas. In organizational appraisal, the various forces and influences operating within the internal environment of an organization viz. organizational resource, behaviour, synergistic effects and the distinctive competencies of the organization have to be analyzed. The strategists have to develop an assessment of their organizational capability to compete in the markets. There are a number of approaches to make the organizational appraisal. Appraisal of performance of a company can be done through the financial statements. The two important financial statements are the 'balance sheet and the 'profit and loss account. The appraisal or analysis of financial statements spotlights the significant facts and relationships concerning management performance, corporate efficiency, financial strength and weakness and creditworthiness, which would have otherwise been buried in a maze of details. Analysis of financial statements is a process of evaluating relationship between component parts of financial statement to obtain a better understanding of a firm's position and performance. The various important techniques of performance appraisal through financial statement analysis are: Ratio Analysis, Trend Analysis, Common-size Statement Analysis, Fund Flow Analysis and Inter-Firm Analysis.
Charoan Pokphand Foods Public company Limited (CPF) is the largest integrated agribusiness company in Thailand. The company was established in 1978 under the name “Charoan Pokphand Feedmill Co., Ltd. After receiving promotional privileges from the Board of Investment in 1981, the company began production and distribution of animal feed. In 1987 CPF was listed on the stock Exchange of Thailand. In 1988, CPF began aquaculture operations, especially integrated shrimp business in Thailand. With the passage of time, the CPF became a pioneer in disease prevention as well as in culture systems. In 1994 the company became a public limited company. In 1998, CPF underwent major business restructuring, and it acquired shares of the Charoan Pokphand Group Co., Ltd.’s livestock and meat processing Units in Thailand. In 1999, restructuring process was completed, making CPF the flagship agribusiness entity under the Charoan Pokphand Group in Thailand. In December 1999, the Company’s name was changed to the present “Charoan Pokphand Foods Public Company Limited” to reflect the business structure and the mission to become a world-class food producer. As regards the company’s market status, CPF is the largest producer of livestock and shrimp feeds, the largest supplier of supermarket table eggs, and the largest supplier of livestock breeders and livestock meat in Thailand. CPF is among the largest Thai exporters of frozen chicken and shrimp products. The organizational structure of CPF is headed by the Board of Directors. Executive Committee and Audit Committee form the second highest level of authority. Down the vertical hierarchical chain is the President. He directs Senior Executive Vice Presidents, Vice President and Assistant Vice President. Senior Executive Vice Presidents of Livestock, Aqua Business and Supporting Units are the immediate subordinates of the President. The hierarchy of the administrative block of officers has also been drawn separately. Assistant Vice Presidents, Directors and General Managers are
appointed in different regions of Thailand for farm production, distribution, quality control and research of each product and also for proper maintenance of books of accounts. Thus, we can say that the organizational structure of CPF is by and large governed by the line and staff form of organization, with centralization at the top and decentralization at the lower level.

The financial performance of CPF has been analysed on the basis of different parameters viz., ratio analysis, fund flow analysis, trend analysis, inter-firm analysis and competitor analysis. The tabulation, calculation and interpretation of various ratios for the period 1989 to 1998 of the corporation form the major portion of this unit. Current ratio has been considered as an acceptable standard. Quick Ratio was below the standard norm; though the company had definitely tried to achieve it. From the Interval measure ratio, CPF has sufficient liquid assets to finance its operations. The liquidity ratios in all have thus been able to meet its current obligations and to strike a proper balance between high liquidity and lack of liquidity. Debt-equity ratio, total liabilities ratio and interest coverage ratio are also discussed. Except the first year i.e., 1989, debt-equity was found to be satisfactory. Lenders have full faith in the concern because of which more than 75% of the net assets, on an average, are financed through them. The creditors too are well assured of receiving regular interest. Total liabilities are around 50% of the total assets. On the basis of its capital structure, the corporation is ranked high on safety. Under the turnover ratio, total assets turnover, fixed assets, net assets and current assets turnover ratio indicate that assets have been utilized efficiently to a large extent except current assets which have shown a downward trend. The Profitability Ratio have been equally impressive during the period. They even became negative but the CPF had tried hard to improve in recent years. The trend analysis has been examined, earning before interests and taxes (EBIT) and profit after
taxes (PAT) have shown the maximum increase, followed by current liabilities which are much more than current assets. Sales have maintained a continuous growth. The net assets grew manifold; the corporation did not invest much in fixed assets. The net worth increased but not to a large extent. Fund flow analysis has been done of the uses and sources of funds of the firm and it is found that CPF has in general been able to prove that resources generated by it are put to proper use.

From the study for the period 1989 to 1998, it is revealed that many problems which affected the CPF such as production and investment problems. Under these problems are included the following: 

1. *deterioration of the environment*; There are two main reasons why this business has endangered the environment surroundings: (a) the encroachment of swamp forests and (b) lack of proper farming techniques, resulting in the mismanagement of the prawn farms, releasing excessive quantity of prawn fry, sludge squirting practice and unsuitable water drainage system. 

2. *The average yield per rai was still rather low*. There were other problems, namely: Sea water pollution in the culture grounds, use of insecticides in the surrounding areas, lack of a saltwater irrigation system, particularly for prawn culture, pollution in ponds due to the use of chemicals, lack of essential public utilities for prawn farms, lack of capital and knowledge of prawn culture and farm management and Lack of parent prawn stocks.

3. *High cost of production* 
4. *Problems connected with the use of swamp forest areas for prawn culture* 
5. *Natural disasters* 
6. *Drought* 
7. *Animal epidemic* 
8. *the animal feed crisis* 
9. *Depletion of natural resources* 
10. *Water quality* 
11. *Shortage of water* 
12. *Feed-raw material cost rising and* 
13. *Deteriorating of agriculture outputs*. Also the marketing problem is one problem which affected the business of the company. The market related problems are: problems relating to the quality of fresh prawn and processing, lack of cold storage facilities and standard
freezers for prawns and problem of disadvantage in the export market and the fall in price. The Economic, Export and International Trade Problems consist of inflation spiral, trade protection, increased value of imports, steeper labour costs and lack of basic infrastructure, high interest rate, weakening of Thai Currencies, imports of goods related to the increased foreign investments, heavy reliance on single markets, chemical residues in prawn meat, higher production costs than of competitors, an excessive number of stages in the export process, etc. Exports are consequently delayed and a shortage of credit facilities for upgrading of prawn farms enhances the problem.

As regards solution, these problems may be set right with the help of the government. The private sector can also be helpful and the company should concentrate on this sector too. The remedial measures of the Problems of Poor Yields per Unit Area should be found in strict control so as to forestall and eliminate problems of water pollution in the prawn culture grounds, promotion of research to produce parent stocks in the culture ponds, accelerated training of farmers to develop systems of culture and development of the agricultural information system and strict control and prevention of trespassing and destruction of swamp forest areas. The Government may help to reduce production costs for prawns by providing public utilities essential for prawn culture, in all areas and at fair prices, and allowing the free import of raw materials used in prawn culture, for example, fishmeal, soyabean meal, etc. In the case of the Problems of the Cost of Production, the measures required are to rectify the Problems of Marketing, making investment to build standard cold storage facilities for processing and preserving frozen fresh prawn, widening the export market and support of the expansion of processing of prawn products for export. The Government may help solve the Problems of International Trade by considering the repayment of import duties and surcharges on imports of prawn feed raw materials, promote
and provide assistance in the keeping of fish for use in the production of high quality fishmeal, increase the budget for research and ensure that there are clearly defined zones to separate areas under black tiger prawn cultivation from industrial or agricultural areas. The preventive measures from the government towards the Problems of the Environment could be the support to clear the infected zones of the marine prawn farming areas, develop and promote intensive farming method. Prawn farming in enclosure should be promoted as an alternative way to expand the culture areas without affecting the swamp forests. The Government should speed up the survey of marine prawn farming areas both on an extensive level and on a localized level, fix the prawn culture promotion zone so that the suitable culture method could be used in those areas in the future, issue legal measures to control the draining of polluted water from the prawn farms including the multi-usage provision of swamp forests instead of concentrating on any single purpose. The private sector has the most crucial role to play in the environmental conservation, as the present pollution problems arising from the prawn culture business are mainly caused by the private sector. The right farming management and avoidance of bad effect on the environment could be done in the following ways. Good farm design would be the first step to prevent the environmental problems. Designing of farms would greatly keep a healthy environment condition and also prevent any problem that may otherwise arise on the natural surrounding, number of prawn fry released into the ponds should not be over 30 fry/square metre, proper harvesting method should cause the least stirring of the sediment at the pond's bottom, hence the least residues is left in drained water from the pond, the right method of the pond's bottom management should be to let the pond dry so that soil condition at the pond's bottom can be improved. This method will prevent various kinds of residues, including the sludge and the sediment, from flowing into the external channels.
Making partial harvest, in the case when farmers release excessive volume of prawn fry, can alleviate the problem of mortality which usually occurs when the prawn grows up to a certain level. Thus, the treated water could be drained into the sea without negative effect on the natural environment. All the above-mentioned measures could help to protect and preserve the environment from being affected by prawn culture business. But all these measures must be pursued simultaneously by both sectors. The Government sector could not alone succeed in the environmental conservation without the cooperation from the private sector, particularly from the farmers who are directly involved in this matter. In the same way, if only the private sector takes part in taking care of the proper farm management, those environmental protection measures may not be put into effect. The environmental problem would gradually lessen the available lands for the prawn farmers. To shift the production base to other locations may not be easy any more as Thailand has limited coastal areas and at present there remains only the eastern coast of the South that is suitable for the marine prawn culture. The Government also should strive to raise the efficiency of animal feed production which, at the moment, is still very low. Raising production efficiency will not only increase the quantities produced but also reduce the cost of production, bringing down the cost of animal feed and will enable the animal feed and other related industries to compete in foreign markets as well as encourage the animal feed raw material market to rely on the free market.