



A STUDY ON FINANCIAL PERFORMANCE OF BHARAT PETROLEUM CORPORATION LIMITED

¹Dr. R. Mayilsamy, ²Mr. P. Veerakumar

¹Associate Professor, Department of Commerce with Professional Accounting
Dr.N.G.P. Arts and Science College, Coimbatore

²181PA058, Department of Commerce with Professional Accounting
Dr.N.G.P. Arts and Science College, Coimbatore

ABSTRACT

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The study used five years of Oracle financial services software limited company data and the main objective of the study is to estimate the profitability of the business concern. The tools used for the study are liquidity ratio and profitability ratio. The suggestion given is that the company's day to-day cash management need to be improved and it has to improve the efficiency at converting sales into actual profit to enjoy the best profit.

KEYWORDS: Profitability ratio, operating efficiency, improve sales.

1. INTRODUCTION

Financial Performance expresses the numerical relationship between two or more related variables or values. This relationship can be expressed as percentage, times or proportion of numbers. Accounting performance are used to describes significant relationship, which exist between figures shown in balance sheet, profit and loss account, budgetary control system or any other part of the accounting organization. Financial performance plays an important role in determining the financial strengths and weakness of a company relative to that of the other companies in the same industry. The performance also reveals whether the company's financial position has been improving or deteriorating over a period of time.

2. STATEMENT OF PROBLEM

The study is conducted to evaluate the financial performance of Bharat Petroleum Corporation and to obtain a better understanding of the company position and performance. A financial analysis reveals strength and weakness of the company by properly establishing the relationship between the items of balance sheet and profit loss account.

3. OBJECTIVES OF THE STUDY

- ❖ To analysis the financial strength and weakness of the Bharat petroleum corporation limited.
- ❖ To analyze liquidity position of the Bharat petroleum corporation limited.
- ❖ To asses and evaluate the earning capacity of the Bharat petroleum corporation



4. RESEARCH METHODOLOGY

Source of data	Secondary data
Period of study	2015-2016 to 2019-2020
Framework of analysis	Financial statements
Tools and techniques	Ratio analysis

5. REVIEW OF LITERATURE

❖ **Nivetha Pereira (2018)**¹⁷ has provided “a report on financial analysis of Hindustan Unilever Limited”. The study has undergone company analysis (ratio and trend analysis) and industry analysis. The study talked about impact of GST and demonetization on financial position of HUL. The study concludes that the sector will see growth as it depends on increasing inter market consumption and availability of key raw material gives FMCG company a competitive advantage

❖ **HABIBA ABBASI (2017)**¹⁶ “a comparative analysis on Hindustan Unilever Limited”. The keywords used by the researcher are FMCG, liquidity, profitability, efficiency. The study shows that the inventory ratio of HUL has increased from 8.99% to 13.61% durin 2010 to 2016 and it’s concluded that the HUL is the largest FMCG Company in India.

❖ **Izhar Ahmad (2016)**¹⁴ have studied “Analysis of Financial Performance of Bharat Petroleum Corporation Limited” Their study, researcher analysis the impact of liquidity, solvency and efficiency ratio on return on investment. Moreover, the research has tested the hypotheses with the help of multiple regression analysis on SPSS. An analysis of financial performance shows that the company’s satisfactory. The management of the company should focus on profitability.

6. TABLE SHOWING FINANCIAL POSITION OF BHARAT PETROLEUM CORPORATION LIMITED

Year	Current Ratio	Liquid Or Quick	Fixed Turnover	Inventory Turnover Ratio	Total Asset Turnover	Net Profit	Return On Asset
2015-2016	1.01	0.54	4.39	12.82	2.17	4.11	8.95
2016-2017	0.80	0.35	3.98	9.49	1.84	4.25	7.85
2017-2018	0.89	0.39	4.26	10.47	1.96	3.60	7.06
2018-2019	0.92	0.49	4.74	13	2.18	2.54	5.54
2019-2020	0.72	0.34	3.65	12.79	1.89	0.79	1.50



7. FINDINGS

- ❖ Current ratio of the Company was highest 1.01 in the year 2015-2016 and lowest 0.72 in the year 2019-2020.
- ❖ Liquid ratio of the company was highest 0.54 in 2015-2016 and lowest 0.34 in the year 2019-2020.
- ❖ Fixed asset turnover ratio of the company was highest 4.74 in 2018-2019 and lowest 3.65 in the year 2019-2020.
- ❖ Inventory turnover ratio of the company was highest 13 in 2018-2019 and lowest 9.49 in the year 2016-2017.
- ❖ Total asset turnover ratio of the company was highest 2.18 in the year 2018-2019 and lowest 1.84 in the year 2016-2017.
- ❖ Net profit ratio of the company was highest 4.25 in the year 2016-2017 and lowest 0.79 in the year 2019-2020.
- ❖ Return on asset ratio of the company was highest 8.95 in the year 2015-2016 and lowest 1.50 in the year 2019-2020.

8. SUGGESTIONS

- ❖ The profit can be increased by increasing in efficient productivity and decrease in expenses of the company
- ❖ The Effective utilization of sales can be improved.
- ❖ The company can try to control the expenditure and fair return on the shareholders.
- ❖ The company has to increase the current assets and current liabilities to make positive working capital.
- ❖ The company should probably consider the use of the fund to invest other opportunities to get a profit.

9. CONCLUSION

The analysis of the company was undertaken with the help of ratios, which are important tools of financial analysis. In general the company has achieved tremendous progress over the recent years. The company's performance is satisfactory. The study gives a clear idea of the financial performance of the company over the last five years. This study reveals the findings and recommendation which would be useful for the development and improvement to the company.

10. REFERENCE

1. Atta Bandhu Jena "Profitability Analysis: A study of Bharat Petroleum corporation" Scholarly journals ISSN 1311-8080 vol.4 2015.
2. Anita shukla and Nidhi Vyas " Environmental Accounting and Reporting India (A comparative study of Bharat Petroleum Company Limited and oil and Natural Gas Company Limited." Pacific Business Review International vol.5 January 2013.
3. Dharmaraj A and Karthivel N (2013) "A study on financial performance of Foreign Direct investment." Journal of financial Markets ISSN:1-227 Vol.99 February 2013.
4. Deniel A Moses Joshunar " A study on financial performance of Bharat Petroleum" International journal of financial studies 2227-7072 vol. 2 January 2013.
5. Gupta and Anil Kumar Goyal "Financial Performance analysis of Bharat Petroleum Corporation" International Journal of Research in Computer Application and Management ISSN: 2231-1009 vol.3 July 2013.

BOOKS

1. Financial Markets and Services--Gordon and Natarajan
2. Management Accounting – S. Chand

WEBSITE

1. www.moneycontrol.com
2. www.yahoofinance.com
3. www.bpcl.com