
**FINANCIAL PERFORMANCE OF PUBLIC ENTERPRISES
AT BHARAT PETROLEUM CORPORATION LTD**

^{#1}Dr G C VENKATAIAH, *Associate Professor,*

^{#2}KAMPAMALLI MOHAMMAD ANEEF, *MBA Student,*

Department of MBA,

VISWAM ENGINEERING COLLEGE (Autonomous), ANGALLU, MADANAPALLE, AP.

ABSTRACT: Public-sector firms are critical to a country's economic progress because they help generate government revenue, create job opportunities, and expand industries. Bharat Petroleum Corporation Limited (BPCL), a large public sector oil and gas corporation in India, is a major player in the energy industry. The goal of this inquiry is to assess BPCL's financial performance over a defined period, with a focus on essential indicators such as operational efficacy, liquidity, solvency, and profitability. The paper examines financial statements such as the balance sheet, income statement, and cash flow statement to assess changes in sales, net profit, return on investment, and other relevant financial parameters. The research underlines BPCL's issues, including as high operational expenses and volatile global crude oil prices, which limit profitability. However, it also demonstrates that the corporation can properly manage its operations and generate revenue. The paper not only makes recommendations for enhancing BPCL's financial management and strategic planning, but it also provides insights into the company's long-term viability and financial health. The findings may be useful to policymakers, investors, and other interested parties who want to assess the performance of public sector businesses in India's energy industry and the steps they are doing to support it.

Index Terms: *Financial Performance, Public Sector Enterprises, Bharat Petroleum Corporation Limited (BPCL), Profitability, Liquidity, Solvency, Operational Efficiency, Financial Analysis,*

1. INTRODUCTION

Analysts and investors examine the overall financial performance of similar organizations in the same sector or industry. The phrase has the ability to be used in a broad meaning to address a company's financial state throughout a specific time period.

Public corporations are critical to a nation's economic prosperity because they supply needed goods and services, promote industrial development, and create jobs. Unlike private firms, the government owns and operates the bulk of these organizations. In addition to financial gain, they prioritize social goals and national concerns. It is critical to examine their financial performance in order to determine how well they manage their income and expenses, use public funding, and achieve both social and economic goals.

Profitability, liquidity, operational efficiency, and solvency are common indicators used to analyze the financial performance of publicly traded companies. Stakeholders, including the general public, regulators, and investors, use these measures to assess the company's capacity to meet its objectives while maintaining solid financial management. Furthermore, frequent financial performance monitoring can help with policymaking, strategic planning, and ensuring that public firms contribute to national development.

A company's financial performance is measured based on its assets, liabilities, income, expenses, equity, and profits. It gives a thorough examination of the company's financial statements. Analysts review a company's annual report, balance sheet, cash flow statement, and income statement.

- A company's financial performance reflects its ability to manage its money. After examining the data, organizations develop strategies to improve cash flow, grow revenue, strengthen their capital structure, and save costs.
- Financial performance measures a company's ability to manage its finances. The effectiveness of a corporation is determined by an examination of its assets, debts, income, expenses, equity, and profits.
- Financial ratios are indispensable indicators. It analyzes data from financial papers to determine a company's financial performance.
- Financial performance is measured using several metrics, including the fast ratio, current ratio, working capital, gross profit margin, net profit margin, equity multiplier, debt-to-equity ratio, return on equity, return on asset, total asset turnover, inventory turnover, and operating cash flow.

2. LITERATURE SURVEY

Ramadhan, Y., Ramdani, N. A., S., & Roviuddin, R. (2025). This paper investigates the impact of Bank Neo Commerce's 2023 financial statements on investors' decision-making

processes. Investor surveys and financial ratio analyses were used as part of a quantitative approach. The findings show that profitability, liquidity, and solvency indexes have a considerable impact on investor confidence and decisions. According to the research, transparent financial reporting helps to build trust between banks and other stakeholders. It also highlights that, although poor financial performance discourages investors, great financial success attracts them. The findings clearly demonstrate the need of transparent financial disclosures in the context of investment decisions. As stated in the essay, financial reporting is more than just a compliance requirement; it is a strategic instrument for securing investment.

Lawal, T. (2024). This article examines the impact of the COVID-19 pandemic on the rate at which publicly traded companies release financial information. According to the analysis, lockdowns, remote work, and regulatory extensions all caused significant delays in the report submission process. It demonstrates how investors reacted badly to lengthy reporting delays by relying on actual data, implying a lack of trust in organizations' transparency and honesty. The findings suggest that timely disclosure has a major impact on market trust, especially during worldwide emergencies. Furthermore, it looks into how well firms with good governance can mitigate delays compared to those with ineffective governance. The paper adds to the literature on crisis accounting by demonstrating the impact of timely reporting on market efficiency and investor mood.

Gokhale, M., & Pillai, D. (2024). This paper looks into the tactics for managing profitability in emerging economies, with a focus on both national and firm-level aspects. Ownership concentration, board performance, legislative frameworks, and cultural characteristics all contribute to profit manipulation. According to the report, areas with insufficient investor protection and low rules are more likely to experience profit management. However, such situations can be avoided by implementing more open financial practices and excellent governance. The research provides a paradigm that combines micro and macro factors to improve understanding of earnings manipulation. Furthermore, it demonstrates the inequalities in developing economies between countries, implying that institutions are vulnerable to a variety of influences. The findings contribute to the current discussion about the possibility of governance improvements to prevent financial deceit.

Trisaningsih, S., & Pitaloka, R. (2023). This essay investigates the creation of financial accounts via the lens of behavioral accounting. It explores how behavioral and psychological aspects such as cognitive bias, decision-making preferences, and perception affect

accountants' performance. The research indicates that the human factor in financial reporting influences the accuracy and objectivity of assertions. The paper combines behavioral theories with accounting systems to explain moral quandaries, poor decisions, and mistakes. This underlines the need of training and awareness in reducing behavioral errors in reporting. The investigation advances accounting by demonstrating the relationship between technical precision and human influence. It stimulates accountants to generate financial data in a more complete manner.

Lessambo, F. I. (2022). This book provides a thorough understanding of financial statements and their applications to financial analysis, appraisal, and reporting. It defines the process of creating balance sheets, income statements, and cash flow statements in conformity with international accounting standards. The article investigates how financial data is used by analysts, investors, and managers to assess a company's performance and make educated decisions. It also examines the issue of valuing objects in real life in order to integrate theory and practice. The second version includes more updated material on IFRS and worldwide financial reporting challenges. Because of its synthesis of practical concepts and real-life experiences, the book is required reading for financial professionals, students, and academics all around the world.

3. TYPES OF FINANCIAL ANALYSIS

The most common types of financial analysis are listed below:



Vertical Analysis:

This sort of financial analysis examines several portions of the income statement and shows them as percentages after deconstructing them by income. Comparing the company's performance to that of other companies in the same industry can produce the most positive results from this activity.

Horizontal Analysis:

Even assessment requires the collection and comparison of a large amount of financial data in order to determine a growth rate. This will help an examiner detect key trends and determine if a company is expanding or contracting.

Leverage Analysis:

Leverage ratios are one of the most common approaches used by examiners to evaluate a company's performance. When viewed alone, a single financial indicator, such as total debt, may be insufficiently informative. To have a full understanding, compare the capital structure to the company's overall value.

Growth Rates:

Examining actual development rates and projecting future rates has a big impact on the work of any financial investigator.

Profitability Analysis:

Productivity is a type of pay declaration examination in which a professional assesses the attractiveness of a company's financial characteristics.

Liquidity Analysis:

This sort of financial analysis examines the accounting report, with a special emphasis on the company's ability to meet short-term obligations (such as those due within a year).

Efficiency Analysis:

Proficiency proportions are an essential component of any financially sound paper. These figures demonstrate how successfully a corporation uses its resources to produce revenue.

4. POLICY IMPACT ON PUBLIC ENTERPRISES' PERFORMANCE**Financial Reforms and Profitability**

Government laws governing pricing, tax incentives, and subsidies have a direct impact on the profitability of public enterprises. Positive adjustments help to reduce expenses while increasing revenue. Nonetheless, a company's competitiveness and profit margins may be harmed by an excess of regulations.

Investment and Capital Allocation

Policies that prioritize infrastructure, technology, and modernization promote long-term sustainability. The government's funding enables businesses to grow. Nonetheless, development may be hampered by delayed investment or limited funding.

Autonomy and Decision-Making

Policy improvements that increase managers' autonomy improve operations and hold them more accountable. In dynamic markets, businesses that can make their own judgments perform better. Excessive government intervention may cause delays and diminished efficiency.

Privatization and Disinvestment Policies

Policies promoting partial disinvestment or privatization have an impact on financial stability and ownership structures. While they may increase productivity and competition, they may also reduce the significance of social responsibility goals.

Regulatory Environment

Operating expenses may increase if tight labor, environmental, and safety requirements are followed. Beneficial restrictions strengthen the company's reputation while increasing its stability. Conversely, frequent policy changes raise uncertainty and hinder the planning process.

Globalization and Trade Policies

Government policies that encourage open markets and commerce enable public enterprises to compete with businesses around the world. Good trade agreements have the ability to increase sales and open up new markets. Nonetheless, their performance may suffer due to a lack of competitiveness in global markets.

Technology and Innovation Policies

Policies that stimulate innovation, R&D, and digitization improve the efficiency of services and operations. The government's promotion of breakthrough technologies helps businesses

compete more effectively. Nonetheless, businesses may become outmoded if policies fail to prioritize innovation.

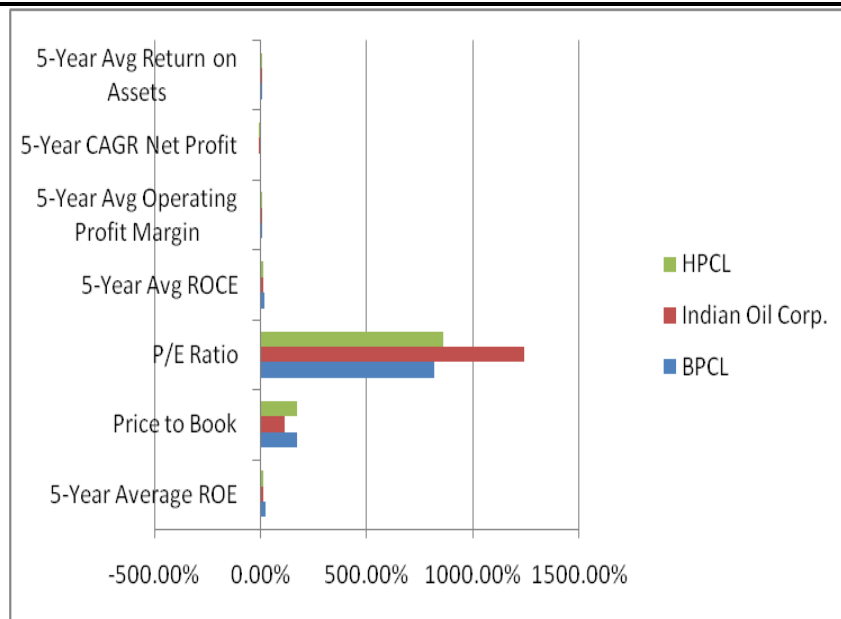
Social Welfare and Employment Policies

There is a broad assumption that public corporations will earn revenue and benefit society by providing jobs. Policies that promote well-being may be viewed as more credible in society, even if they are not economically profitable. The ability to strike a harmonic balance between economic and social goals is the hallmark of sustainability.

5. RESULTS AND INTERPRETATION

Financial Performance Metrics

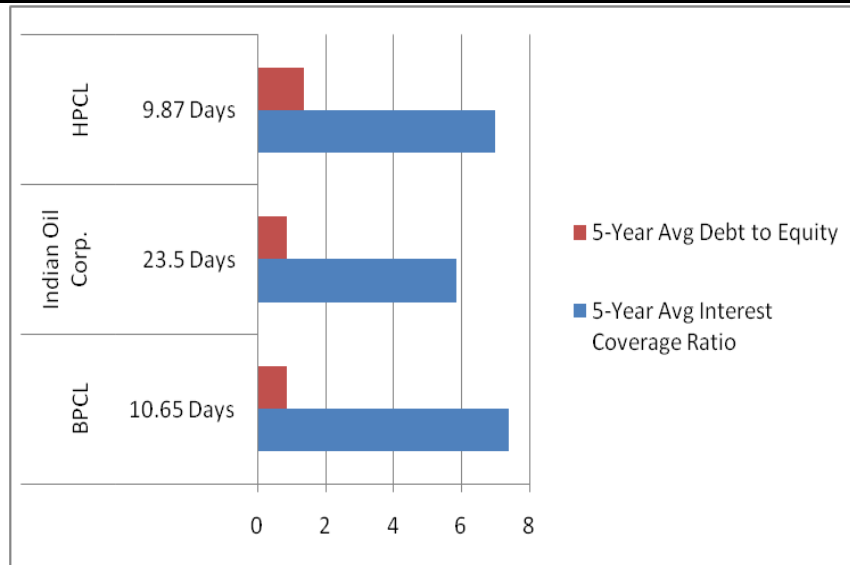
| Metric | BPCL | Indian Oil Corp. | HPCL |
|------------------------------------|--------|------------------|--------|
| 5-Year Average ROE | 21.71% | 15.04% | 14.26% |
| Price to Book | 1.74 | 1.12 | 1.72 |
| P/E Ratio | 8.15 | 12.4 | 8.59 |
| 5-Year Avg ROCE | 17.66% | 14.60% | 10.86% |
| 5-Year Avg Operating Profit Margin | 6.54% | 7.44% | 3.54% |
| 5-Year CAGR Net Profit | -3.77% | -8.87% | -8.78% |
| 5-Year Avg Return on Assets | 7.36% | 4.94% | 4.12% |



INTERPRETATION: BPCL outperformed its competitors in terms of 5-year average ROE (21.71%) and ROCE (17.66%). This shows that it is very profitable and makes good use of its cash. It is adequately valued based on its reasonable Price-to-Book and Price-to-Earnings ratios. However, its operational profit margin is slightly lower than that of Indian Oil Corp., indicating a lack of business efficiency. In general, BPCL has higher returns on equity and assets than Indian Oil and HPCL, implying that it would achieve greater long-term financial success despite a negative 5-year net profit CAGR.

Operational Efficiency

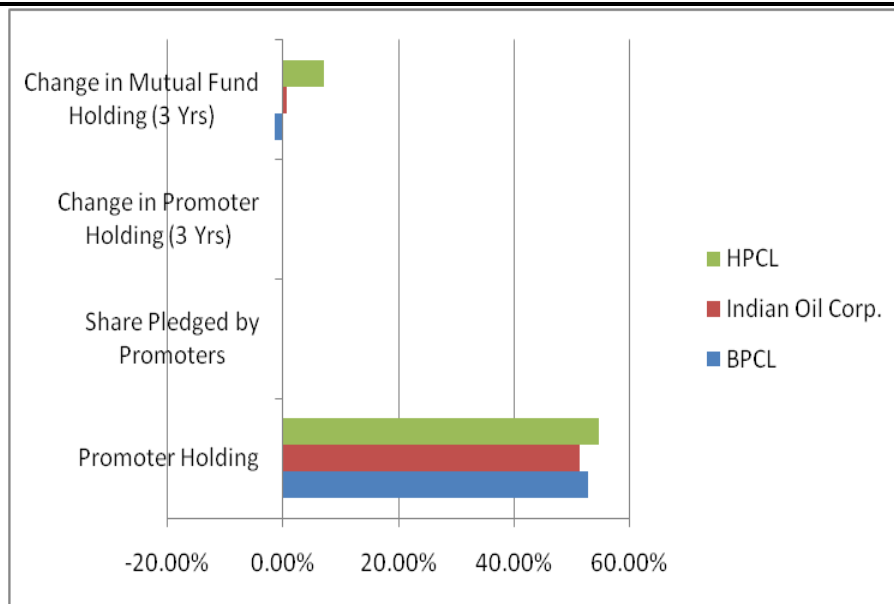
| Metric | BPCL | Indian Oil Corp. | HPCL |
|------------------------------------|------------|------------------|-----------|
| 5-Year Avg Cash Conversion Cycle | 10.65 Days | 23.5 Days | 9.87 Days |
| 5-Year Avg Interest Coverage Ratio | 7.39 | 5.86 | 7 |
| 5-Year Avg Debt to Equity | 0.87 | 0.87 | 1.38 |



INTERPRETATION: BPCL's cash conversion cycle is 10.65 days shorter than Indian Oil's (23.5 days). This explains how to effectively manage working capital. As a result, cash turnover accelerates. The interest coverage ratio of 7.39, which is slightly higher than that of its competitors, indicating that the company is able to pay its interest with ease. BPCL's debt-to-equity ratio of 0.87 is a good indication of its balanced indebtedness. This illustrates the company's risk management expertise, since it is comparable to Indian Oil but less than HPCL.

Shareholding Pattern

| Metric | BPCL | Indian Oil Corp. | HPCL |
|---------------------------------------|--------|------------------|--------|
| Promoter Holding | 52.98% | 51.50% | 54.90% |
| Share Pledged by Promoters | 0.00% | 0.00% | 0.00% |
| Change in Promoter Holding (3 Yrs) | 0.00% | 0.00% | 0.00% |
| Change in Mutual Fund Holding (3 Yrs) | -1.30% | 0.72% | 7.19% |



INTERPRETATION: BPCL's promoters have a high level of confidence in the company, as demonstrated by their ownership of 52.98% of the shares, somewhat more than Indian Oil but less than HPCL. The absence of pledged shares suggests that the corporation is financially stable. The promoter's interests have stayed stable over the last three years, indicating that they remain dedicated. In comparison, BPCL's mutual fund holdings fell by 1.3%. This shows that institutional purchasing interest is quite low, as opposed to Indian Oil, which has just slightly increased, and HPCL, which has significantly increased.

6. CONCLUSION

Finally, the financial performance of public institutions is an important predictor of their effectiveness, longevity, and contribution to economic progress. In general, these businesses face issues such as a lack of fresh ideas, bureaucratic inefficiencies, and cost overruns. Nonetheless, individuals have the potential to significantly impact their outcomes by taking conscious acts.

Public corporations can improve their operations and enhance profits by diversifying their revenue streams, managing spending, developing a solid financial plan, and making the most use of their assets. Investing in employee performance and training develops an inventive and productive culture, while improving accountability, transparency, and governance builds confidence among stakeholders.

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