

Comparison of Financial Out-comes of Petroleum Industries of India- Special Concern to Oil Corporation, Bharat Petroleum and Hindustan Petroleum

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ABSTRACT

The current paper aims to analyse the financial analysis of Indian Oil Corporation, Bharat Petroleum and Hindustan Petroleum Limited of India as Petrol is the natural resource and used since ancient age. Now-a-days, its role is important in all sectors of human life including political, economic, scientific and technological. The rising use of technical assets and modern electrical assets to make human life easy, the use of Petroleum is increasing day-by-day and simultaneously, as per the market norms of demand and supply the rate of petroleum is increasing rapidly. Petroleum is the outcome of refined crude oil and liquid produced from fossil fuels. It is the major source of Arabian countries in which these oils are more in numbers as compare to other countries of the world. For United States of America, it is the largest source of energy used for several purposes. It is used for different purposes as to drive the vehicles, to heat buildings, and to generate an electricity. Even in this technical era, the petrochemical industrial sectors are using petroleum as the raw material. India is developing country in which industrial growth is growing rapidly. It is helping factor of Indian economical financial growth. Therefore, researcher feels the need of current study.

Keywords: Industry, petroleum, finance, analysis, technical, science, vehicle etc.

INTRODUCTION

Indian Oil Corporation has headquarter at Delhi. It is the registered State Oil and Gas Company. It has its registered office at Mumbai. As per the report of “Fortune Global 500 List (India Global 500. Retrieved 26 May 2017), that in the financial year of 2016-17, Indian oil is the largest oil company of India which has the net profit of Rs. 19106 crore.

The role of gas and petroleum in increasing economy of any Nation plays a vital role. Even in the development of Indian economy, it plays an important role moreover, we can say it is the backbone of Indian economy. Therefore, researcher feels to study on the financial analysis of India Oil Corporation in India as well as its status at global level.

There are total seven division of Indian oil Petroleum Corporation as Pipe-line division, Marketing division, refineries division, R&D division, Petrochemical division, Exploration & production division and last Explosive and cryogenics division. The contribution of Indian Oil in petroleum market is near about half of Indian market of Petroleum. It gives employments to many citizens of India. It reaches to all the sectors of Indian as from metro-cities to rural part of India, hence we can say that Indian oil petroleum industries are giving employments to Indian citizens available at their native place. Therefore, it received high rank status in corporation sectors. There is a huge competition to Indian oil, yet the rank of profit and turnover is maintained by Indian oil corporation, Tata petroleum limited, Bharat Petroleum, Hindustan Petroleum, Reliance Industries limited, Chennai Petroleum corporation limited, Adani Gas limited, Cal's refinery limited, Eassar oil limited and ONGC. The current study is a financial analysis of Indian Oil Corporation, Bharat Petroleum and Hindustan Petroleum.

LITERATURE REVIEW

- a. In the financial year 2011-12, as a result of rising international MS prices, Indian Oil has revised MS prices upward by Rs.4.17 per litre on 15th May'11, Rs.2.62 per litre on 16th Sept'11 and Rs.1.50 per litre on 4th Nov'.
- b. As per the report of New Delhi, November 15, 2011 The Motor Spirit (MS) prices were de-regulated by Government of India w.e.f. 25.06.2010.
- c. EduGreen report entitled as "Digobai: The First Oil Well in India," studied on the Energy and resources initiative which has included that in 1989 at Digobai town located in Assam discovered about the first Oil deposits.
- d. IOCL annual report 2012-13 declared in which the number of employees with gender distinctiveness has been given as 2735 are women employees out of total employees 33135 which indicates 8.25% of women employees in Indian oil.
- e. New Delhi (2012) The Government of India vide its notification No.P-20029/18/2001-PP dated 16th January, 2003, notified "The Irrecoverable Taxes Compensation Scheme", 2002 to recompense the oil companies for irretrievable state taxes to enable horizontal change directed by the pricing regime to the market resolute pricing scheme.
- f. The report of Fortune India (2016) studied and declared the rank of Indian oil at National level as the first Rank as well as 168 Rank at global level in the report Fortune's Global 500- 2016.
- g. As per the survey conducted on Indian Oil corporation: RTI information Manual (2017), the employees in number are around 33,135 whereas there are 16545 are of holding the position of officer's cadre.
- h. The report of "Who are We-Indian oil at a Glance" (2018) declared the number of employees in Indian oil are 33000, the profit is of Rs. 41346 crores from the turnover of of rs, 506428 crores.
- i. The study report declared by Indian Oil Group Corporation (2017) that alternative energy and globalization of downstream operation are ventured by Indian oil.
- j. The Report by The Ministry of Statistics and Programme implementation submitted a report on energy Statistic 2019 with the description of the estimated crude petroleum and natural gas reserves in Indian by various states as on 31 March 2017.

AIMS AND OBJECTIVES OF THE STUDY

- a. To analyse the growth of turnover of Indian Oil, Bharat Petroleum and Hindustan Petroleum.
- b. To study the financial management of Indian Oil, Bharat Petroleum and Hindustan Petroleum,
- c. To get the knowledge of employees working in Indian oil, Bharat Petroleum and Hindustan Petroleum, with their designation status.

HYPOTHESIS

- a. Indian Oil Corporation, Bharat Petroleum and Hindustan Petroleum, development in financial aspect in at increasing level from 19th century to 20th century and onwards.
- b. As technical advancement is growing the need of petroleum is increasing.

METHODOLOGY OF THE STUDY

The present study is based on the collection of data. The data is collected by survey. The survey was based on questionnaire given to respondent in written form. Some oral interviews are also conducted. The collected data is analysed on the bases of comparison. The comparative chart of financial growth is given in the part of result analysis.

LIMITATION OF THE STUDY

The current Study is the part of only three Oil Industry i.e. Indian Oil Corporation, Bharat Petroleum and Hindustan Petroleum, and that is too located in India. So it is limited to it only. No data is collected outside this defined limits.

SOURCES OF THE STUDY

There are two types of sources used for the current study i.e. Primary source and Secondary Source.

- Primary Source:** Data collected direct from the field work which the researcher has collected through survey, field work and oral interviews.
- Secondary Source:** Secondary source is the part of data used as the supportive data for the current study which was available in the printed form in books, journals, newspapers, articles etc. as well as collected from internet sources.

DATA COLLECTION AND RESULT ANALYSIS

Current study is based on the financial analysis of Indian petroleum since 2008 to 2018. The development growth ratio is represented in the current study:

Sr no.	Annual Turn Over	Gross Profit	Financial Year
01	2,47,479	14,339	2007-08
02	2,85,337	11,319	2008-09
03	2,71,095	18,872	2009-10
04	3,28,744	16,336	2010-11
05	3,73,943	3,955	2011-12
06	4,14,919	5,005	2012-13
07	4,57,571	7,019	2013-14
08	4,50,756	5,273	2014-15
09	3,99,601	10,399	2015-16
10	4,09,150	19,106	2016-17
11	4,49,581	21,346	2017-18

Table 1.1 The Chart of Financial Analysis of One Decades of Indian oil

Above table indicates the Annual Turnover and Gross profit from 2008 to 2018. The Caribbean Blue indicates the Annual Turnover whereas the Darker Blue indicates Gross Profit. There is a fluctuation in the turnover and gross profit. There is less profit during the period of financial year 2011-12 to the financial year 2014-15.

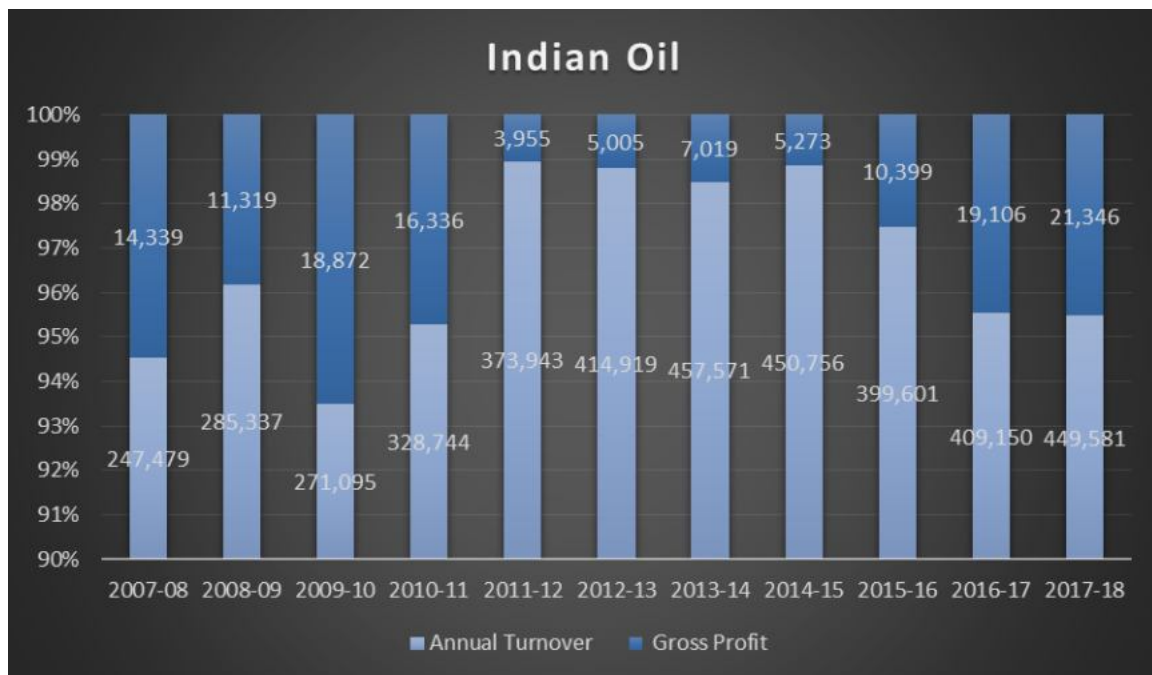


Figure 1.1 The graph of financial analysis of one decades of Indian oil

Sr no.	Annual Turn Over	Gross Profit	Financial Year
01	1,12,098	2,725	2007-08
02	1,31,802	3,776	2008-09
03	1,14,888	4,193	2009-10
04	1,42,396	4,637	2010-11
05	1,88,130	5,156	2011-12
06	2,15,675	4,821	2012-13
07	2,32,275	6,140	2013-14
08	2,17,061	6,831	2014-15
09	1,97,744	9,083	2015-16
10	2,13,488	12,091	2016-17
11	2,43,226	12,521	2017-18

Table 1.2 The Chart of Financial Analysis of One Decades of HPCL

Above table indicates the Annual Turnover and Gross profit from 2008 to 2018 of HPCL. The Caribbean Blue indicates the Annual Turnover whereas the Darker Blue indicates Gross Profit. There is a fluctuation in the turnover and gross profit. The increased profit ratio is there in the studied decade.

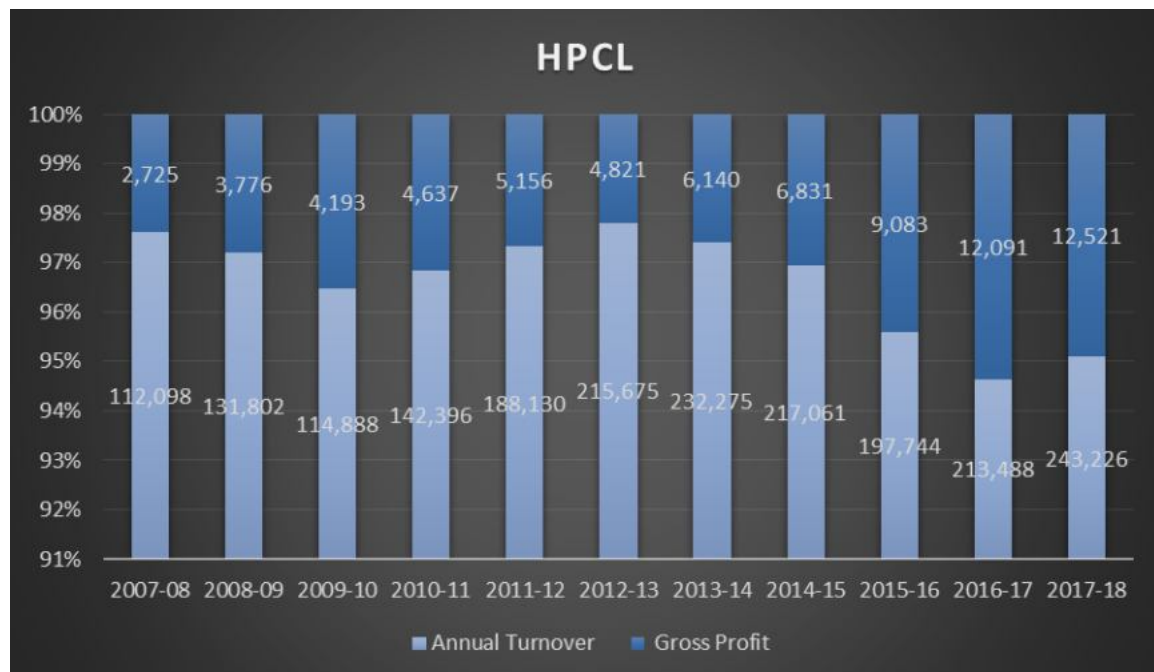


Figure 1.2 The graph of financial analysis of one decades of HPCL

Sr no.	Annual Turn Over	Gross Profit	Financial Year
01	1,21,684	4,367	2007-08
02	1,45,392	4,246	2008-09
03	1,33,749	5,341	2009-10
04	1,66,038	5,986	2010-11
05	2,23,315	6,269	2011-12
06	2,50,537	7,787	2012-13
07	2,70,910	9,555	2013-14
08	2,53,254	10,515	2014-15
09	2,18,011	12,801	2015-16
10	2,42,047	13,430	2016-17

11	2,77,162	14,680	2017-18
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Table 1.3 The Chart of Financial Analysis of One Decades of Bharat Petroleum

Above table indicates the Annual Turnover and Gross profit from 2008 to 2018. The Caribbean Blue indicates the Annual Turnover whereas the Darker Blue indicates Gross Profit. There is a fluctuation in the turnover and gross profit. The increased profit ratio is there in the studied decade.

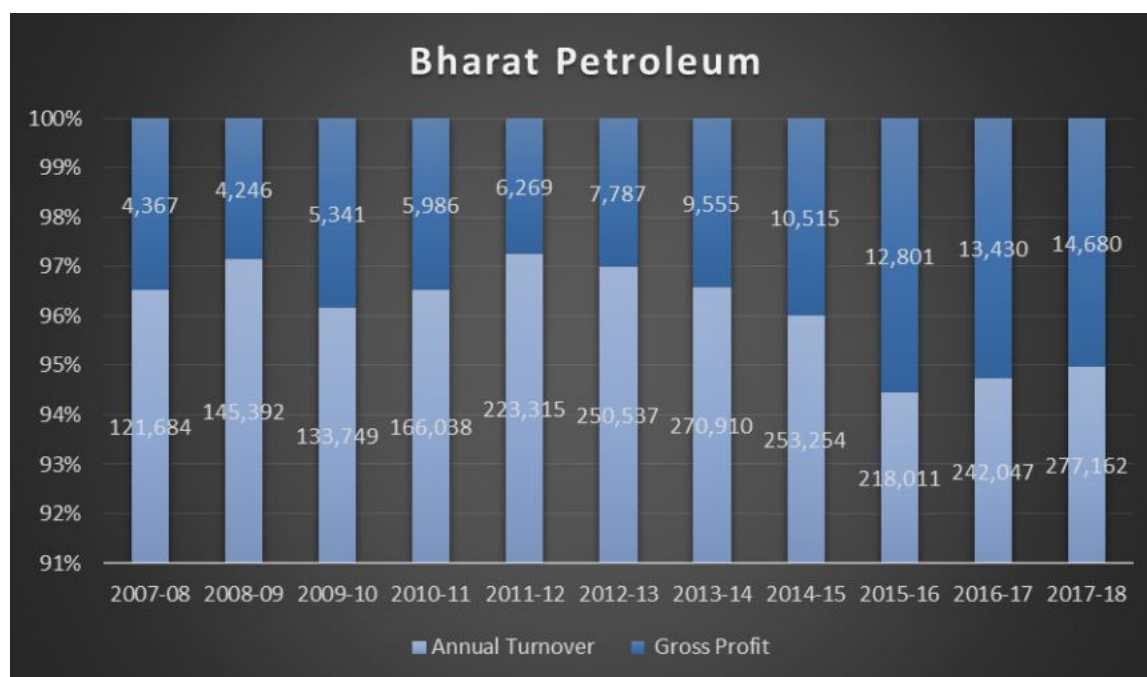


Figure 1.3 The graph of financial analysis of one decades of Bharat Petroleum

FINDINGS

1. The turnover of the Indian Petroleum is in increasing flow at Indian level.
2. Indian Petroleum Corporation received the rank at universal level.
3. The demand of petroleum is increasing though it has increased rate.
4. Personal level Vehicles are used at huge level rather than governments' transportation.
5. Use of diesel in various organization is in more number as an alternative for electricity generation in the absence of power electricity of government suppliers.
6. There is less profit during the period of financial year 2011-12 to the financial year 2014-15 of Indian oil while HPCL and Bharat Petroleum are having increased profit chart.
7. The present research proves that that is it not necessary that increased turnover will give the outcome of increased profit.

SUGGESTION

1. Indian petroleum is having good business but it may create a problem in future due to increasing demand because it is the part of natural resource.
2. There is need of alternate source to generate oil for petrol and diesel for vehicles and industry to generate electricity.
3. There is the need of finding reason behind the less profit for the period of financial year 2011-12 to the financial year 2014-15 of Indian oils.

4. Need to define the perfect policy of corporation in this high competition period.

CONCLUSION

Thus, the present study shows that in business up and downs are the part and partial part but because of the changing pattern of this flow of profit, one should not lose the confidence. Moreover, studying and analysing the reasons behind it, and work for the improvement. There are several factors which affect to the policies, aims and objectives of any organization, corporation. Continues improvement and running policies, different techniques one must achieve the desired goal in business, corporation or other sectors too. This is proved by Indian Oil Corporation, Hindustan Petroleum limited and Baharat Petroleum with get good rank at Indian level and even received notable rank at universal rang. Indian Oil Corporation, Hindustan Petroleum limited, Baharat Petroleum other oil corporation have important role in the economic development of the Nation. They not only support to Indian economy but also give opportunities to ram material supplier to stand their own business as well as covers a large quantity problem of employments. The study report proved with that Indian Oil, Hindustan Petroleum limited and Baharat Petroleum are India's largest commercial oil company.

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