A Project Work on

"ANALYSIS OF FINANCIAL PERFORMANCE OF HINDUSTAN PETROLEUM CORPORATION LIMITED"

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By:

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Certificate

This is to Certify that the Project work Titled **"Analysis Of Financial Performance Of Hindustan Petroleum Corporation Limited"** is an original record of field works done by **Ms. Bhoomika Krishna Naik** with Registration No.**19C011039** in a partial fulfillment of the award of degree of **Master of Commerce** of the **Karnatak University, Dharwad** during 2020-21. The project satisfies the academic requirements in respect of project work prescribed for the Degree of **Master of Commerce** and is a record of her own independent work.

This project is based on the studies carried out by her and has not been submitted to any other University or Institution for the award of any degree or diploma.

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Introduction

Financial performance means firms' overall financial health over a given period of time. Financial performance analysis is the process of determining the operating and financial characteristics of a firm from accounting and financial statements. The goal of such analysis is to determine the efficiency and performance of firm management, as reflected in the financial records and reports. The analyst attempts to measure the firm's liquidity, profitability and other indicators that the business is conducted in a rational and normal way; ensuring enough returns to the shareholders to maintain at least its market value.

Finance is rightly termed as the science of money, as is the lifeblood business. The process of recognizing the financial strengths and weaknesses of the firm by properly establishing relationships between the items of the balance sheet and the profit and loss account. There are various methods or techniques used in examining financial schedule of change in working capital flow, cost volume profit analysis and ratio analysis.

Financial performance is the process of identifying the financial strengths and weaknesses of the firm by properly establishing the relationship between the items of the balance sheet and profit and loss account. It also helps in short term and long-term forecasting and growth can be identified with the help of financial performance analysis.

Finance is defined as the provision of money at the time when it is required. Every enterprise, whether big, medium, or small, needs finance to carry on its operations and to achieve its targets. In fact, finance is so indispensable today that it is rightly said to be the lifeblood of an enterprise. Without adequate finance, no enterprises can possibly accomplish its objectives. Finance refers to the management of flow of money through an organization.

Financial performance analysis means establishing relationships between the items in the balance sheet and profit and loss account for determining the financial strength and

Conclusion and suggestion

The present study reveals that HPCL came into existence with the objectives of earning profit on one side and rendering the services towards society on the other side. However, an analysis of financial performance shows that the company's ability to meet its current obligations is not satisfactory. Meanwhile, the management of the company should focus on profitability. In the case of profitability ratios there are very high fluctuations.

In the light of the above conclusion it is suggested that companies should pay attention towards the management of Liquidity position also. The current and quick ratios were not found with the standards norms of the liquidity ratio. The company may either increase its current assets or reduce current liabilities in order to enhance the profitability the management should focus on to control cost of sales and other direct and indirect expenses. Moreover, to improve the operating efficiency of the company the management should focus on turnover ratios.