A Project Work on

"Corporate Performance Evaluation: A case study of Mangalore Refinery & Petrochemicals Limited Mangalore"

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Certificate

Certified that the Project Work titled **"Corporate Performance Evaluation A Case Study of Mangalore Refinery and Petrochemicals Limited Mangalore"** is an original record of field work done by **Mr. Shabarish Mastappa Naik** with Registration No. **17C011127** in a partial fulfillment of the award of Degree of **Master of Commerce** of the **Karnatak University, Dharwad** during 2018-19. The project satisfies the academic requirements in respect of project work prescribed for the Degree of Master of Commerce and is a record of his own independent work.

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

Prof. Saheel Ahmed. M
Project Guide

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Introduction

Profits are the ultimate test of any management's effectiveness. This is the reason why big business houses are interested in knowing about the overall profitability of their concern. They are basically concerned about the ability of the firm to meet its short term as well as long term obligation to its creditors to ensure a reasonable return to its owners and secure optimum utilization of the asset of the concern. Without profit business enterprise will not be able to maintain its existence, since profit is the backbone of every business enterprise. Profit and profitability provides a tonic for growth and development of business activities. It motivates worker to work hard, owners to invest more capital, creditors to provide more facilities and government to provide better facilities for economic development of the society. The earning power of an enterprise is gauged by returnon equity. The overall performance can be improved either by increasing the profit margin or by accelerating the pace of rotation of funds for business activity which in turn can lead to more sales per rupee of investment. The profit margin can be raised by controlling costs on one hand and increasing sales on the other. The asset turnover can be pushed up by limiting investment in fixed assets or working capital without adversely affecting the sales or increasing sales with the same amount of investment.

The present study has been taken up on Mangalore Refinery and Petrochemicals Limited, Mangalore (MRPL) adopting the various concepts of financial performance of the organization.

Petrochemicals are derived from various chemical compounds, mainly from hydrocarbons. These hydrocarbons are derived from crude oil and natural gas. Among the various fractions produced by distillation of crude oil, petroleum gases, naphtha, kerosene and gas oil are the main feed stocks for petrochemical industry.

Conclusion:

The present study set out four objectives and accordingly various observations, findings and results have been coordinated and presented in four chapters. The study has been guided by the theoretical framework.

In the light of the present study it can be concluded that the position of net profit was not satisfactory due to huge amount incurred on cost of sales. The company has huge amount of total assets which indicates that funds are blocked in fixed assets. This also indicates that assets are not fully utilized properly as compared to sales. Huge amount has been blocked both in fixed as well as current assets. Similarly, return on assets is also not all that inspiring. Return on equity is also on a decreasing trend.

The substance of the present study conveyed both pleasant and unpleasant aspects in respect of net profits and return on equity of Mangalore Refinery and Petrochemical Industry.

Though the study has brought out many important points to light, the study is not free from its own limitations as normally found. However, a sincere effort has been made to understand and present various aspects of corporate performance of this industry.