

CONTINUOUS ASSIGNMENT – 3

BHARAT PETROLEUM CORPORATION LIMITED

- 1. Please state the summarized income statement equation for the last two years from the latest given company annual report with all figures in Rs. Crores ... Please comment within 100 words.**

The summarised income statement is given by:

Retained Earnings during a period = Revenue – Expense – Dividends

Particulars	Revenue (in Crores)	Expense (in Crores)	Dividends (in Crores)	Retained Earnings during the period
	(R)	(E)	(D)	$X = R - E - D$
Year ended 31 st March 2019	3,40,606.13	3,33,474.11	6984.25	147.77
Year ended 31 st March 2018	2,80,181.64	2,72,205.34	6300.21	1676.09

- The revenue in 2019 had increased by 20% compared to 2018. At the same time, expense had also increased by 22% compared to previous year. As it is Maharatna company, the financial strength of the company is very good and the company is giving huge year on year dividends to its shareholders.
- As observed from the table, retained earnings decreased by 90% in 2019 compared to 2018.
- Even though the profits had decreased by 10%, the dividends distributed to its shareholders increased by 22%.
- Similar amounts had been transferred to general reserves from the profits earned during the year.

- 2. Mention five biggest items as part of the income and expenses/dividends (along with their proportions) as mentioned in the annual report (to the extent available) ... Please give your comments within 100 words**

Particular	Value (In Crores)	Proportion
Revenue from operations	Rs. 3,37,622.53	99.12% of Total Income
Purchases of stock in trade	Rs. 1,46,974.06	44.51% of Total Expense
Cost of materials consumed	Rs. 1,19,419.22	36.16% of Total Expense
Excise duty expense	Rs. 40,347.48	12.2% of Total Expense
Other expense	Rs. 16,956.39	5.13% of Total Expense

- Of total revenue, sales of petroleum products, crude oil and subsidy from Central/State Govt. contributed to high revenue from operations.
- As the company is engaged in manufacturing of petrochemicals, purchase of petroleum products, crude and others contributed 44.51% of total expense.
- Cost of materials, including the opening stocks and the purchases made during the period contributed 36.16% of total expense.
- As the company indulge in importing crude from other countries, excise duty expense contributes 12.2% of total expense.
- SG and A expenses, transportation, repairs and maintenance contributed to 5.13% of total expense.

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