

# **A STUDY OF FINANCIAL PERFORMANCES OF RELIANCE INDUSTRIES**

Submitted in partial fulfillment of the requirements for the award of

**BACHELOR OF BUSINESS ADMINISTRATION**

**By**

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**Register No: 39280025**



**SCHOOL OF BUSINESS ADMINISTRATION**

**SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY  
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade “A” by NAAC | 12B Status by UGC | Approved  
by AICTE**

**Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI - 600 119**

**May - 2022**



# **SATHYABAMA**

INSTITUTE OF SCIENCE AND TECHNOLOGY

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## **SCHOOL OF BUSINESS ADMINISTRATION**

### **BONAFIDE CERTIFICATE**

This is to certify that this Project Report is the bonafide work of **REDDI DEVI PRASAD 39280025** who have done the Project work entitled “**A STUDY OF FINANCIAL PERFORMANCES OF RELIANCE INDUSTRIES**” under my supervision from January to March 2021.

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**Dean – School of Business Administration**

## **DECLARATION**

I **Reddi Devi Prasad 39280025** hereby declare that the Project Report entitled **Evaluation of the financial performance of A Study Of Financial Performances Of Reliance Industries** done by me under the guidance of **Dr. Y. AYSHA FATHIMA, M. Com, MBA, M. Phil, Ph.D.** at **SATHYABAMA INSTITUTE OF SCIENCE ANDTECHNOLOGY, CHENNAI** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree

**Date:**

**Place:**

**Reddi Devi Prasad**

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**Reddi Devi Prasad**

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## **ABSTRACT**

Financial ratios are analysis tools, applied to financial data, which are used to identify positive and negative trends, strengths and weaknesses, investment attributes, financial health and other trends, which measure the viability of the business. Ratio analysis is typically used to measure liquidity, leverage, activity, profitability and growth. No single ratio calculation can provide a meaningful complete picture of a company's financial position. Keeping the above point in mind, this study uses 'Z' – score model, which captures the predicate viability of a company's financial health by using a combination of financial ratios that ultimately predicts a score, which are used to determine the financial health of a company. Reliance Industries is such a unique industry which shown its deep routed evolvement and commitment for the welfare of the country men on a big an scale it has clear cut target of improving the standard of living of millions of citizens of India's and thus this industry is in forward with a banner of success and economic prosperity. The study attempts to assess the financial Sustainability of the Reliance Industries in terms of retained earnings to total assets, networking capital position, equity and debt position, Return on total assets position, and net sales turnover position of the company. The study has been done through data from the Reliance Industries financial statements for the period of 5 years i.e. 2016 to 2021

# CHAPTER - 1

## 1.1 INTRODUCTION.

Reliance Industries Limited is an Indian multinational conglomerate company head quartered in the city of Mumbai, India. It has diverse businesses including energy, petrochemicals, natural gas, retail, telecommunications, mass media, and textiles. Reliance is one of the most profitable companies in India, the largest publicly traded company in India by market capitalization, and the largest company in India as measured by revenue. It is also the tenth largest employer in India with over 236,000 employees. RIL has a market capitalization of US\$243 billion as of October 2021.

The company is ranked 155th on the Fortune Global 500 list of the world's biggest corporations as of 2021. Reliance continues to be India's largest exporter, accounting for 8% of India's total merchandise exports and access to markets in over 100 countries. Reliance is responsible for almost 5% of the government of India's total revenues from customs and excise duty. It is also the highest income tax payer in the private sector in India. The company has negative free cash flows.

Financial performance analysis is the process of identifying the financial strengths and weaknesses of the firm by properly establishing the relationship between the items of balance sheet and profit and loss account.

There are many tools to find financial performance of the company, one of the most useful tools is ratio and trend analysis. The financial analysis is done to find the firm's current position with that of market situation. This analysis is used by creditors, to the shareholders board

## **1.2 COMPANY PROFILE.**

The company has set up a texturizing / twisting facilities in 1979, RIL has also set up plants for Polyester Staple Fiber (PSF) in 1986 and for Linear Alkyl Benzene (LAB) & Purified Terephthalic Acid (PTA) in 1988. RIL has setup a petrochemical facility to produce HDPE and PVC at Hazira, Gujarat in technical collaboration with DuPont and BF Goodich respectively. The Hazira petrochemical plant was commissioned in 1991-92."

"The company has set up a texturising / twisting facilities in 1979, RIL has also set up plants for Polyester Staple Fiber (PSF) in 1986 and for Linear Alkyl Benzene (LAB) & Purified Terephthalic Acid (PTA) in 1988. RIL has setup a petrochemical facility to produce HDPE and PVC at Hazira, Gujarat in technical collaboration with DuPont and BF Goodich respectively. The Hazira petrochemical plant was commissioned in 1991-92."

In the year 1995-96, the company entered the telecom industry through a joint venture with NYNEX, USA and promoted Reliance Telecom Private Limited in India. Reliance became the first corporate in Asia to issue bonds in the U.S at the year of 1996-97. The company commissioned an 80,000 tone bottle grade PET chip plant at Hazira manufacturing complex. Reliance's PET chips has been accepted internationally due to their high quality during the year 1997-98 and in the same year Reliance Industries Planned to invest around Rs. 5000 crores (USD 1,250 million) in building two world-scale plants at the site of the Jamnagar refinery in Gujarat. In 1998-99, RIL introduced packaged LPG in 15 kg cylinders under the brand name Reliance Gas. In 1999-2000, RIL commissioned the world's largest 1.4 million tonnes per annum Paraxylene (PX) plant at its new integrated petrochemicals complex at Jamnagar which was planned at 1997-98. With the commissioning of the last crystallization train of the Para-xylene (PX)

complex at Jamnagar in June 2017, RIL became the 2nd largest producer of PX globally.

In 2000, Reliance commissioned the world's largest grassroots refinery in Jamnagar in a record 36 months. The Jamnagar refinery processes a wide variety of crude oils and produces a range of petroleum products for exports as well as supply in the Indian market. Reliance Petroleum Limited (RPL) was amalgamated with Reliance Industries Ltd in the year 2002-03.

In 2004-05, RIL acquired the polyester major, Trevira GmbH, headquartered in Frankfurt, Germany which has the capacity of 130,000 tonnes per annum of polyester staple fibers, polyester filament yarns and polyester chips. In the year 2006, the company set up a new export-oriented refinery through its subsidiary, Reliance Petroleum Limited (RPL). In 2006, RIL entered the organised retail segment through Reliance Retail with its first Reliance Fresh store in Hyderabad. In 2017, Reliance Retail crossed \$5 billion revenue mark. Reliance Retail has adopted a multi-prong strategy and operates neighbourhood stores, supermarkets, hypermarkets, wholesale cash & carry stores, specialty stores and online stores and has democratized access to all types of products and services across all segments for all Indian consumers. Reliance Retail operates over 3,300 stores pan India with nearly 13 million square feet of retail space.

In the year 2007, Indian Petrochemicals Corporation Limited (IPCL) merged with the company. Also, Reliance Retail entered the organised retail market in India with the launch of its convenience store format under the brand name of Reliance Fresh'. During the year, the company commissioned their largest expansion project. The company expanded its polypropylene (PP) capacity by 280 KTA at Jamnagar that increased the combined capacity to 1,710 KTA.

During the year 2007-08, the company signed an agreement to certain polyester (capacity) assets of Hualon, Malaysia. It took over the majority control of Gulf

Africa Petroleum Corporation (GAPCO) and started shipping products to the East African markets. Also, the company signed MoU with GAIL (India) Ltd to explore opportunities of setting up petrochemical plants in feedstock rich countries outside India. In April 2008, the company signed gas sales and purchase agreement (GSPA) with the customers in power sector for supply of natural gas to be produced from the KG-D6 block.

During the year, Reliance Commercial Associates Ltd, Reliance Neutraceuticals Pvt Ltd, Reliance Pharmaceuticals (India) Pvt Ltd, Reliance Petroinvestments Ltd, Gull Africa Petroleum Corporation (Mauritius), Gapco Tanzania Ltd, Gapoil Tanzania Ltd, Gapco Kenya Ltd, Gapco Uganda Ltd, Gapco Rwanda SARL, Gapoil Zanzibar Ltd, Transenergy Kenya Ltd, Recron (Malaysia) SDH BHD, Peninsula Land Kenya Ltd, Reliance International Exploration and Production INC, Wavely Investments Ltd, Reliance Digital Retail Ltd, Reliance Lifestyle Holdings Ltd, Reliance Universal Ventures Ltd, Reliance Home Store Ltd, Reliance Autozone Ltd, Reliance Trade Services Centre Ltd, Reliance Integrated Agri Solutions Ltd, Reliance Agri Products Distribution Ltd, Reliance Food Processing Solutions Ltd, Reliance Supply Chain Solutions Ltd, Reliance Digital Media Ltd, Strategic Manpower Solutions Ltd, Reliance Gems and Jewels Ltd, Reliance Leisures Ltd, Reliance Loyalty & Analytics Ltd, Reliance Retail Securities and Broking Company Ltd, Delight Proteins Ltd, Reliance F&B Services Ltd, Reliance Hypermart Ltd, Reliance Financial Distribution and Advisory Services Ltd, Reliance Retail Travel & Forex Services Ltd, Reliance Trends Ltd, Reliance Wellness Ltd, Reliance Brands Ltd, Reliance Footprint Ltd, Abcus Retail Pvt Ltd, Bigdeal Retail Pvt Ltd, Advantage Retail Pvt Ltd and RIL (Australia) PTY Ltd became subsidiaries of the company.

During the year 2008-09, Reliance People Serve Ltd, Reliance Infrastructure Management Services Ltd, Reliance Global Business, BV, Reliance Gas Corporation Ltd, Reliance Globalenergy Services Ltd, Reliance One Enterprises

Ltd, Reliance Personal Electronics Ltd, Reliance Global Energy Services (Singapore) Pte Ltd, Reliance Polymers (India) Pvt Ltd, Reliance Polyolefins Pvt Ltd, Reliance Aromatics and Petrochemicals Pvt Ltd, Reliance Energy and Project Development Pvt Ltd, Reliance Chemicals Pvt Ltd, Reliance Universal Enterprises Pvt Ltd, International Oil Trading Ltd, Reliance Nutritional Food Processors Pvt Ltd, Reliance Review Cinema Pvt Ltd, Reliance Replay Gaming Pvt Ltd, RIL USA Inc. Reliance Commercial Land Infrastructure Pvt Ltd, Reliance Corporate IT Park Ltd, Reliance Eminent Trading & Commercial Pvt Ltd, Reliance Progressive Traders Pvt Ltd, Reliance Prolific Traders Pvt Ltd, Reliance Universal Traders Pvt Ltd, Reliance Prolific Commercial Pvt Ltd, Reliance Comtrade Pvt Ltd, Reliance Ambit Trade Pvt Ltd, Reliance Petro Marketing Pvt Ltd, LPG Infrastructure (India) Pvt Ltd and Reliance Infosolution Pvt Ltd became subsidiaries of the company. Also, Abcus Retail Pvt Ltd ceased to be a subsidiary of the company.

During the year, Reliance Petroleum Ltd (RPL) merged with the company with effect from April 1, 2008. From April 2, 2009, the company commenced production of hydrocarbons in its KGD6 block in the Krishna Godavari basin with the production of sweet crude of 420 API. In November 2009, the company discovered first oil exploration in the on land exploratory block CB-ONN-2003/1 (CB 10 A&B) awarded under the NELP-V round of exploration bidding. In December 2009, the company discovered gas in the exploration block KG-DWN-2003/1 (KG-V-D3) of NELP-V. The deepwater block KG-DWN-2003/1 is located in the Krishna basin, about 45 kilometers off the coast in the Bay of Bengal.

In April 2010, the company commissioned a 1 MW solar Photo Voltaic power plant at Thyagaraj stadium in New Delhi. The power plant is expected to generate around 1.4 million units of electricity a year. It would cater to the power requirements of the stadium and the surplus would be fed to the grid at 11 KV. In addition, the company's subsidiary Reliance Marcellus LLC executed definitive

agreements to enter into a joint venture with United States based Atlas Energy, Inc, of Pittsburgh, Pennsylvania under which Reliance will acquire a 40% interest in Atlas' core Marcellus Shale acreage position.

In June 2010, the company entered into an agreement to acquire a substantial stake in Infotel Broadband Services (P) Ltd, which emerged as a successful bidder in all the 22 circles of the auction for Broadband Wireless Access (BWA) Spectrum conducted by the DOT. The company sees the broadband opportunity as a new frontier of knowledge economy in which it can take a leadership position and provide India with an opportunity to be in forefront among the countries providing world-class 4G network and services.

In August 2010, the company through their subsidiary, Reliance Industries Investment and Holding Pvt Ltd acquired the equity shares of EIH Ltd representing 14.12% from Oberoi Hotels Pvt Ltd and certain other promoters at a total cost of Rs 1,021 crore.

In December 2010, the company entered into a joint venture agreement with Russian petrochemical company SIBUR for the production of butyl rubber in India. The joint venture facility will have an initial capacity of 100,000 tonnes of butyl rubber at the company's integrated refining cum petrochemical site in Jamnagar and is expected to be commissioned by 2013.

In January 2011, the company's wholly owned subsidiary, Reliance Ventures Ltd entered into an agreement with Infrastructure Leasing and Financial Services Ltd, whereby IL&FS will become a strategic partner and co-promoter of a project which intends to develop a model economic township and other infrastructure facilities at Jhajjar in Haryana.

In February 2011, the company entered into a strategic partnership with BP which comprises BP taking a 30% stake in 23 oil and gas production sharing

contracts that the company operates in India for a consideration of USD 7.20 billion and the formation of a 50:50 joint venture between the two companies for the sourcing and marketing of gas in India. The joint venture will also endeavour to accelerate the creation of infrastructure for receiving, transporting and marketing of natural gas in India. On 15 June 2017, RIL and BP announced that they are moving forward to develop the R-Series' deep water gas fields in Block KGD6 off the east coast of India as first of three that are expected to be developed in an integrated manner producing from about 3 trillion cubic feet of discovered gas resources.

In March 2011, the company and D E Shaw Group agreed to establish a joint venture to build a leading financial services business in India. This joint venture will incorporate the D E Shaw Group's investment and technology expertise with the company's operational knowledge and extensive presence across India to offer a comprehensive array of financial services to the Indian marketplace.

In June 10, 2011, the company and their associate, Reliance Industrial Infrastructure Ltd entered into an agreement with Bharti Enterprises for acquiring Bharti's shareholding of 74% in Bharti Axa Life Insurance Co Ltd and Bharti Axa General Insurance Co Ltd. On completion of the proposed transaction, the company and Reliance Industrial Infrastructure Ltd would effectively own 57% and 17% respectively in both insurance companies and would become Axa's joint ventures partners in India.

In September 2011, Reliance Security Solutions Ltd, a subsidiary of the company Siemens Ltd signed an MoU to jointly develop Homeland Security Solutions for Highways in India. In November 2011, the company and BP incorporated India Gas Solutions Pvt Ltd, a 50:50 joint venture company which will focus on global sourcing and marketing of natural gas in India. The joint venture company will also develop infrastructure to accelerate transportation and marketing of natural

gas within the country. India Gas Solutions Pvt Ltd will be funded with equal equity from BP and RIL.

In November 2011, AXA SA, Bharti, Reliance Industries Limited (RIL) and its associate Reliance Industrial Infrastructure Limited (RIIL) announced that they have mutually agreed to terminate their negotiations on the proposed acquisition by RIL and RIIL of Bharti's shareholding of 74% in Bharti AXA Life Insurance Co. Ltd and Bharti AXA General Insurance Co. Ltd.

In February 2012, the company and SIBUR have agreed to form a joint venture named Reliance Sibur Elastomers Pvt Ltd to produce 100,000 tons of butyl rubber per year in Jamnagar, India. The joint venture will be the first manufacturer of butyl rubber in India and the fourth largest supplier of butyl rubber in the world.

On 29 May 2014, RIL announced its entry into the digital space by way of acquisition of control in Network 18 Media & Investments Limited (NW18) including its subsidiary TV18 Broadcast. On 9 December 2014, RIL announced the formation of a joint venture with Shandong Ruyi Science and Technology Group Co. Ltd, China (Ruyi') (through its wholly owned subsidiary) for RIL's textiles business which operates under the Vimal brand.

RIL's wholly owned subsidiary Reliance Jio Infocomm announced the commencement of telecom services with Jio Welcome Offer' in September 2016. In a short period of 170 days, Jio crossed a milestone of 100 million customers on its all IP wireless broadband network.

On 17 November 2016, RIL and GE announced the signing of a global partnership agreement in the Industrial IOT (IIOT) space to provide Industrial IOT solutions to customers in oil & gas, fertilizer, power, healthcare, telecom and other industries.

In September 2017, RIL won the bid to acquire the assets of Kemrock Industries & Exports Limited of Vadodara (Gujarat) as a part of its efforts to enter the composites business. RIL participated in an on-line e-bidding process held by Allahabad Bank being leader of the consortium of 11 banks to sell/dispose off the assets of Kemrock Industries & Exports Limited.

During the fiscal 2018, the company spent towards Capital Expenditure amounting to Rs 79,253 crore.

During the FY2018, Reliance Jio Infocomm Ltd, successfully refinanced long term syndicated loans aggregating USD 1.5 billion.

On 28 February 2018, TV18 Broadcast Limited ('TV18') a subsidiary of the Company increased its equity interest in Viacom18 Media Private Limited ('Viacom18') from 50% to 51% by acquiring in cash 1% of the equity shares held by MTV Asia Ventures (India) Pte. Ltd., Mauritius for Rs 130 crore and consequently obtained operational control over Viacom18. Accordingly, TV18 has consolidated Viacom18 as subsidiary from 01 March 2018. Consequent to this acquisition, IndiaCast Media Distribution Private Limited ('IndiaCast'), which was hitherto a Joint Venture of TV18, was accounted as subsidiary with effect from 01 March 2018.

Pursuant to the sale agreement signed by Reliance Exploration & Production DMCC (REPDMCC), wholly owned subsidiary of the Company, for the sale of the entire 76% interest held by it in Gulf Africa Petroleum Corporation, requisite regulatory approvals, consents have been obtained and transaction successfully concluded.

During the FY2018, the Company issued listed unsecured non-convertible redeemable Debentures amounting to Rs 20,000 crore in six tranches (Series A,

B, C, D, E and F). The Company also redeemed secured non-convertible Debentures (PPD 177) amounting to Rs 134 crore during the year.

During the year, the Company also issued 3.667% Senior Unsecured Notes amounting to US\$ 800 million with 10 year maturity.

The Company has issued and allotted 308,03,34,238 equity shares to the eligible holders of equity shares on the book closure date (i.e. 09 September, 2017) as bonus equity shares by capitalizing reserves on 13 September, 2017.

The Company retained its domestic credit ratings of 'CRISIL AAA' from CRISIL and 'IND AAA' from India Rating and an investment grade rating for its international debt from Moody's as Baa2 and BBB+ from S&P.

During the FY2019, the company spent towards Capital Expenditure amounting to Rs 1,32,445 crore.

During FY 2018-19, Reliance Jio Infocomm Limited (RJIL) successfully tied up JPY 53.5 billion, the largest Samurai loan for an Asian corporate and also for a telecom company. The loan was successfully syndicated to 9 local Japanese banks aggregating to JPY 19.5 billion, thereby taking the total number of participating banks to 12. Additionally, RJIL also tied-up term loan facilities aggregating to US\$1.5 billion.

In June 2018, RJIL tied up US\$825 million and EUR 150 million Korea Trade Insurance Corporation (K-Sure) supported ECA financing with door to door tenor of over ten years. This transaction was the largest financing transaction globally in the telecom sector supported by K-Sure.

The Board of Reliance Jio Infocomm Limited (RJIL) approved the demerger of its passive infrastructure, tower and fiber assets into two separate SPVs. The scheme of the demerger was effective from 31 March 2019 post all requisite

internal, shareholder, debt holder and regulatory approvals. The assets would be held by a separate SEBI registered Infrastructure Investment Trusts (InvIT).

The company won CII's 'Excellent Energy-efficient Unit' award at the '19th National

Award for Excellence in Energy Management 2018. Also won the 'Making India Energy Efficient' award for the year 2018 at Future of Energy Management Summit, Mumbai. The company also awarded 'Platinum Award' at Grow Care India Safety Awards 2018.

During the year 2018-19, the Company issued listed unsecured non-convertible redeemable debentures amounting to Rs 19,000 crore (Paid-up to the extent of Rs 17,000 crore) in five tranches (Series G, H, IA, IB and J). The Company also fully redeemed secured nonconvertible Debentures (PPD 177 and PPD 179-T3) amounting to Rs 503 crore.

Pursuant to a Composite Scheme of Arrangement among Reliance Jio Infocomm Ltd (RJIL) and Jio Digital Fibre Private Limited (JDFPL) and Reliance Jio Infratel Private Limited (RJIPL), RJIL, has demerged its optic fiber cable undertaking to JDFPL and transferred its tower infrastructure undertaking on a slump sale basis to RJIPL. JDFPL has Fair Valued its Assets through reputed International Valuer. Being shareholder of RJIL, the Company received Equity Shares and Optionally Convertible Preference Shares (OCPS) of JDFPL, pursuant to transfer of fibre business. Subsequently, the Company sold its controlling equity stake in JDFPL to a SEBI registered infrastructure investment trust of which Reliance Industrial Investments and Holdings Limited, a wholly owned subsidiary of the Company is the sponsor.

Reliance Ethane Holding Pte. Ltd. (REHPL), a wholly owned subsidiary of the Company, holds 100% controlling equity interest in 6 companies owning Very

Large Ethane Carrier (VLEC). REHPL has entered into a binding arrangement with Mitsui O.S.K. Lines, Japan and another investor for investment by them in the 6 companies, resulting in the 6 companies being jointly controlled by REHPL and Mitsui O.S.K. Lines, Japan.

Digital Media Distribution Trust, of which Reliance Content Distribution Limited (a wholly-owned subsidiary of the Company) is the sole beneficiary, has, through six SPVs 100% owned and controlled by it, 1. acquired sole control of Den Networks Limited and made a total investment of about Rs. 2707 crore for acquiring 78.06% of the total equity share capital of Den Networks Limited through preferential issue, share purchase and open offer, 2. acquired sole control of Hathway Cable and Datacom Limited and made a total investment of about Rs. 4,120 crore for acquiring 71.96% of the total equity share capital of Hathway Cable and Datacom Limited through preferential issue and open offer, 3. acquired indirect control of GTPL Hathway Limited and made a total investment of about Rs. 42 crore for acquiring 4.48% of the total equity share capital of GTPL Hathway Limited in the open offer and acquired indirect control of Hathway Bhawani Cabletel and Datacom Limited.

During the FY2020, the company spent towards Capital Expenditure amounting to Rs 77,444 crore.

During the fiscal 2020, The Board of Directors of the Company has approved the issue of equity shares of Rs 10/- each of the Company on rights basis to eligible equity shareholders of the Company at an issue price of Rs 1,257/- per fully paid-up equity share (including a premium of Rs 1,247/- per equity share). The Company has successfully completed the Rights Issue of Rs 53,124 crore.

Reliance awarded for exceptional presentation in UNIPOL PE Global Technology Conference 2019 in USA. DTA refinery was awarded India Manufacturing Excellence Award 2019' in High Platinum Category & Future Ready Factory

Award by Frost and Sullivan. Reliance won the 13th CII National Award for Excellence in Water Management 2019, in the heavy industry category. Reliance was declared Winner' at 18th Annual Greentech Safety Award 2019 for persistent commitment in the field of safety. RIL was awarded the Golden Peacock Award for Corporate Social Responsibility 2019 for improving the livelihoods of farmers, fisher-folk and livestock owners through information services. Dahej Manufacturing Division, Silvassa Manufacturing Division and Hoshiarpur Manufacturing Division awarded Apex India Environment Excellence Award, 2019 under Platinum Category. Reliance Retail has topped the list of 50 fastest growing retailers globally in Deloitte's Global Powers of Retailing Report, 2020.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 3rd May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

Pursuant to the Scheme of Arrangement amongst RJIL and certain class of its creditors, approved by the Hon'ble National Company Law Tribunal, Ahmedabad bench vide order dated 13 March 2020, certain liabilities of Rs 1,04,365 crore have stood transferred to RIL with an equal amount of consideration. The Commercial Papers (listed) of the Company outstanding as on 31 March 2020 are Rs 27,709 crore. The total Non-Convertible Debentures of the Company outstanding as on 31 March,2020 are Rs 55,599 crore out of which, secured non-convertible debentures are Rs 13,886 crore.

The total Non-Convertible Debentures of the Company outstanding (before netting off of prepaid finance charges) as on 31 December 2020 are Rs 67,580 crore out of which, secured nonconvertible debentures are Rs 13,351 crore.

During the period April 2020 to December 2020, the Company has issued listed Unsecured Non-Convertible Redeemable Debentures amounting to Rs 24,955 crore in four tranches (Series K, L, M and N) on private placement basis and redeemed listed Unsecured Non-Convertible Redeemable Debentures amounting to Rs 12,000 crore (Series B, C, E, F, PPD1 and PPD2) and listed secured Non-Convertible Redeemable Debentures amounting to Rs 500 crore (Series PPD -180 Tranche 1).

During the quarter ended 31 December 2020, Reliance Retail Ventures Limited, a subsidiary of the Company has raised funds to the extent of Rs 39,765 crore by issuing equity shares to external investors.

During the quarter ended 31 December 2020, Jio Platforms Limited (JPL), a subsidiary of the Company has raised funds to the extent of Rs 33,737 crore by issuing equity shares to Google International LLC.

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Reliance Industries Limited is an Indian multinational conglomerate company, headquartered in Mumbai. It has diverse businesses including energy, petrochemicals, natural gas, retail, telecommunications, mass media, and textiles.

### **1.3 INDUSTRY PROFILE**

Transformed their business from manufacturing of textiles products into a petrochemical major. The company has set up a texturising / twisting facilities in 1979 RIL has also set up plants for Polyester Staple Fiber (PSF) in 1986 and for Linear Alkyl Benzene (LAB) & Purified Terephthalic Acid (PTA) in 1988. RIL has setup a petrochemical facility to produce HDPE and PVC at Hazira Gujarat in technical collaboration with DuPont and BF Goodich respectively. The Hazira petrochemical

Reliance Industries is India's largest private sector company on all major financial parameters. In 2004 Reliance Industries (RIL) became the first Indian private sector organisation to be listed in the Fortune Global 500 list. The company operates world-class manufacturing facilities across the country at Allahabad Barabanki Dahej Hazira Hoshiarpur Jamnagar Nagothane Nagpur Naroda Patalganga Silvassa and Vadodara. Reliance Industries' activities span hydrocarbon exploration and production petroleum refining and marketing petrochemicals retail and telecommunications. The petrochemicals segment includes production and marketing operations of petrochemical products. The refining segment includes production and marketing operations of the petroleum products. The oil and gas segment includes exploration development and production of crude oil and natural gas. The other segment of the company includes textile retail business and special economic zone (SEZ) development. In the year 1966 the RIL was founded by Shri Dhirubhai H.Ambani it was started as a small textile manufacturer unit. In May 8 1973 RIL was incorporated and conformed their name as RIL in the year 1985. Over the years the company has""transformed their business from manufacturing of textiles products into a petrochemical major. The company has set up a texturising / twisting facilities in 1979 RIL has also set up plants for Polyester Staple Fiber (PSF) in 1986 and for Linear Alkyl Benzene (LAB) & Purified Terephthalic Acid (PTA) in 1988. RIL has

setup a petrochemical facility to produce HDPE and PVC at Hazira Gujarat in technical collaboration with DuPont and BF Goodrich respectively. The Hazira petrochemical

which grew its retail footprint by 39 per cent (in square feet) since the pandemic, added multiple brands and expanded its digital commerce - will further swell its network with the addition of Future Retail stores that came under its fold after the owner couldn't pay lease rent, analysts said.

Bernstein in a report said Reliance Retail is India's largest organised retailer both in terms of revenue and store network. It has 14,412 stores in India spread over 40 million square feet.

Its revenue has grown 5x in the last five years. Core retail revenue of USD 18 billion is greater than competitors combined, it said adding a 40 per cent compound annual growth rate (CAGR) has been best in class."

## **Reliance retail**

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has built an end-to-end retail strategy across 'new commerce', offline retail and e-commerce," Bernstein said.

It is 3x of the nearest competition and has delivered consistent growth across categories. "Grocery grew at double digit, apparel and electronics up 2x year-on-year. Digital/new commerce account for 20 per cent of core retail."

"Core retail categories including grocery, consumer electronics and apparel have continued to scale strongly. Non-core retail has the 'connectivity business'

## **Reliance Jio**

JIO Platforms is an Indian technology company and a subsidiary of Reliance Industries, headquartered in Mumbai, India. Established in 2019, it acts as a holding company for India's largest mobile network operator Jio and other digital businesses of Reliance. Reliance jio has started last three years ago it has been increased a lot while so many people are using the jio sims in India while we are travelling the reliance jio has working good

RELIANCE PETROLEUM With a strategically located network of across the country, our fuel retail business provides value to our customers through a 100% automated network, backed by superior technology. The assurance of right quantity at the right price offers true peace of mind round the clock, to all our customers.

Additionally, RELSTAR our lubricants business - offers a range of products to customers through its strong network of partners comprising of over 100+ distributors and 12000+ dealers. Trusted by all, its usage is widely accepted by customers across the country.

The Packed LPG business serves over a million plus happy customers across homes, hotels and industry today, through its 2300+ distribution outlets.

Reliance Aviation is one of the preferred suppliers of fuel to leading airlines in the country. Across 30 airports, we are providing high quality Aviation Turbine Fuel, fuelling 1 aircraft every 3 minutes across our operating network.

Our commitment is towards innovation through our pioneering efforts, and we promise to bring more life, vitality and freshness to your journeys.

Jio Payments Bank is an Indian payments bank, which started operating in 2018 and is owned by Reliance Industries. Reliance Industries was granted an in-principle approval by the Reserve Bank of India (RBI) to establish a new payments bank under the Banking Regulation Act, 1949. It then partnered with the State Bank of India and incorporated Jio Payments Bank Limited in November 2016. Jio Payments Bank Limited is a 70:30 partnership between Reliance Industries and State Bank of India.

Payments banks are new model of banks, conceptualised by the Reserve Bank of India (RBI), which cannot issue credit. These banks can accept a restricted deposit, which is currently limited to ₹200,000 per customer and may be increased further.[1][2] These banks cannot issue loans and credit cards. Both current account and savings accounts can be operated by such banks. Payments banks can issue ATM cards or debit cards and provide online or mobile banking.

## **RELIANCE OIL AND GAS**

At Reliance, it is in our inherent nature to transform every task we undertake in a way that it redefines how things are done henceforth. Our endeavour is to make each day an inflection point which collectively redefines the future. Be it

enterprise, technology, corporate responsibility or environmental stewardship – at Reliance every effort and action is directed towards a radical change for the better. It summarises the scope of our vision and the scale of our actions in which it is imperative that we are instrumental to the change rather than being incidental to it. We have, at regular historical intervals, transformed challenges into growth platforms and affected transformed challenges into growth platforms and affected the changing dynamics of the country.

## **RELIANCE PETROLEUM**

Petroleum has mostly been recovered by oil drilling. Drilling is carried out after studies of structural geology, sedimentary basin analysis, and reservoir characterisation. Recent developments in technologies have also led to exploitation of other unconventional reserves such as oil sands and oil shale. Once extracted, oil is refined and separated, most easily by distillation, into numerous products for direct use or use in manufacturing, such as gasoline (petrol), diesel and kerosene to asphalt and chemical reagents used to make plastics, pesticides and pharmaceuticals. Petroleum is used in manufacturing a wide variety of materials,[2] and it is estimated that the world consumes about 100 million barrels (16 million cubic metres) each day. Petroleum production can be extremely profitable and was important for economic development in the 20th century with some countries, so called oil states

### **1.4. NEED OF THE STUDY**

Reliance Industries Limited (RIL) is an Indian organization headquartered in Mumbai, India. Reliance has its entities across domains like vitality, petrochemicals, materials, common assets, retail, and broadcast

communications. Reliance is one of the most prominent businesses in India, the biggest "traded on an open market" organization in India by showcase capitalization, and the biggest organization in India as estimated by income after it outperformed Indian Oil Corporation sometime back. On 18 October 2007,

Reliance Industries became the first Indian company to cross \$100 billion market capitalization. The organization is positioned 106th on the Fortune Global 500 rundown of the world's greatest enterprises as of 2019. It was positioned eighth among the Top 250 Global Energy Companies by Platts in 2016. Reliance continues to be India's biggest exporter, representing 8% of India's all-out exports with an estimation of Rs 147,755 crore and access to business sectors in 108 countries. Reliance is answerable for nearly 5% of the legislature of India's complete income from traditions and extracts obligation. In 2019, Reliance Industries Limited became the first Indian business to cross Rs 9 lakh crore valuation mark.

This was the first, historically speaking, disclosure by an Indian private company. In 2002–03, RIL bought a larger stake in Indian Petrochemicals Corporation Ltd. (IPCL), India's second-biggest petrochemicals organization, from the administration of India. IPCL later converged with RIL in 2008.

## **1.5. STATEMENT OF THE PROBLEM**

Reliance Industries Ltd. (RIL) has noted the comments made by Shri Anil D Ambani with the care and concern they deserve it. "RIL welcomes this statement, and hopes that it is a positive change in the negative, calumnious and malafide campaign launched by R-ADAG against RIL. RIL believes that there is no contentious issue in the world that cannot be resolved satisfactorily through mutual dialogue, provided the proposal for reconciliation is anchored in good and

honest intentions RIL has always maintained that the dispute under litigation is not merely a family matter, as Shri Anil Ambani's statement "once again tries to make out to be. Vital national interests in terms of securing government's revenue from the natural gas the government was owed and goes sound policy framework work for working India's energy security are at stake. The interest of RIL's shareholders are also at stake. "RIL does not belong to a family. It belongs to shareholders, to those associates who have made this journey possible and most importantly to the nation, India.

Issues which arise out of a decision of the Bombay High Court transcend any private differences between two brothers or two corporate entities, can now only be decisively resolved by a decision of the Highest Court. RIL sincerely hopes that any overture for rapprochement to end acrimony are sincere and in no way related to the ongoing hearing of the case in the honorable supreme court.

"Sadly, the conduct of R-ADAG so far makes it difficult for RIL to believe that Shri Anil Ambani has had a real change of heart. For last many years, Sh. Anil Ambani has indulged in a malicious campaign against RIL and its chairman. The campaign reached its nadir in recent months through a vicious series of advertisements, unprecedented in India's corporate history. RIL while denying all the false accusations has responded to this campaign with dignified silence.

## **1.6). OBJECTIVE OF THE STUDY.**

The study is to analyze the financial performance of Reliance Industries Limited (RIL) for a period of five years. The objective of the study is to determine the liquidity, profitability and turnover rate of RIL. The tool used to analyze the financial position of the company is Ratio analysis.

To attain global best practices and become a world-class utility. To create world-class assets and infrastructure to provide the platform for faster, consistent growth for India to become a major world economic power. To achieve excellence in service, quality, reliability, safety and customer care.

## **1.7. LIMITATIONS OF THE STUDY**

The Study is restricted for the study of five years. The analysis is based on annual reports of the company. Strong market position with diverse brand and profit follow. Strong free cash flow and good returns on capital expenditure. Operational and expansion advantage in different business verticals.

Successful track record for integration.

## **CHAPTER 2**

### **REVIEW OF LITERATURE**

Yunus, N.M., Malik, S.A. (2012) states that the use of financial model is to predict the performance of a company. The theoretical analysis in the development of model is done using the matrix solution of the Matlab software. The model is then validated with the actual company's business performance to determine the predicting accuracy. Hooks, Jill. (2007) found that this research examines the financial performance of three entities over a fifteen year period. The aim is to determine the influence of corporatization, commercialization and ownership form on the reported financial performance of three entities. Wei, Sun. (2010) found that this paper discusses some theories of the system of performance evaluation, analyses merit and disadvantage of these theories. This paper brings forward the system of performance evaluation with method of fuzzy mathematics. This paper validates the correctness of the system of performance evaluation with the example. Hajek, P., & Olej, V. (2014) found that this paper develops a methodology to extract concepts containing qualitative information from corporate annual reports. The methodology makes it possible to easily compare the concepts with future financial performance.

The results suggest that annual reports differ in terms of the concepts emphasized reflecting future financial performance.

Rungi, M., Stulova, V. (2013) states that the current study investigates the impact of absorptive capacity on financial performance in the context of corporate acquisitions. A quantitative research was carried out based on European ICT companies that were subject to acquisition in 2008. The results demonstrate that absorptive capacity entails a direct effect on financial performance.

## **CHAPTER – 3**

### **RESEARCH METHODOLOGY**

#### **3.1. RESEARCH DESIGN**

Research Design pertains to the great research approach or strategy adopted for a particular project. A research project has to be conducted scientifically making sure that the data is collected adequately and economically. The study used a descriptive. Research design for the purpose of getting an insight over the issue. It is to provide an accurate picture of some aspects of market environment. Descriptive research is used when the objective is to provide a systematic description that is as factual and accurate as possible.

#### **3.2. SOURCE OF DATA.**

Data can be defined as quantitative or qualitative values of a variable. Data is a plural of datum which literally means to give or something given. Data is thought to be the lowest unit of information from which other measurements and analysis can be done. Data can be numbers, images, words, figures, facts, and idea. Data in itself cannot be understood and to get information from the data one must interpret it into meaningful information. There are various methods of interpreting data. Data sources are broadly classified into primary data and secondary data.

##### **Primary Data**

Primary data means original data that has been collected specially for the purpose in mind. It means someone collected the data from the original source first hand. Data collected this way is called primary data.

## **Secondary Data**

Secondary data refers to data that is collected by someone other than the primary user. Common sources of secondary data for social science include censuses, information collected by government departments, organizational records and data that was originally collected for other research purposes.

### **3.3. PERIOD OF STUDY**

Period data are events which occur during a set period of time, often either one year or five. Period data contains the demographic experiences of people of many different ages (in other words, people belonging to many different birth cohorts. Period means the period commencing on the Commencement Date and ending on the Completion Date or such later date as may be agreed between the Parties unless otherwise determined in accordance with the terms of the Contract.

### **3.4. ANALYTICAL TOOL**

Analytical Tools means the resources that provide for access to information for research and evaluation purposes such as dashboards, a query builder, summaries of key student and employment outcomes, and a research library, including, but not limited to, the P20W data set. Business analytics tools are types of application software that retrieve data from one or more business systems and combine it in a repository, such as a data warehouse, to be reviewed and analyzed.

## CHAPTER – 4

### DATA ANALYSIS AND INTERPRETATION

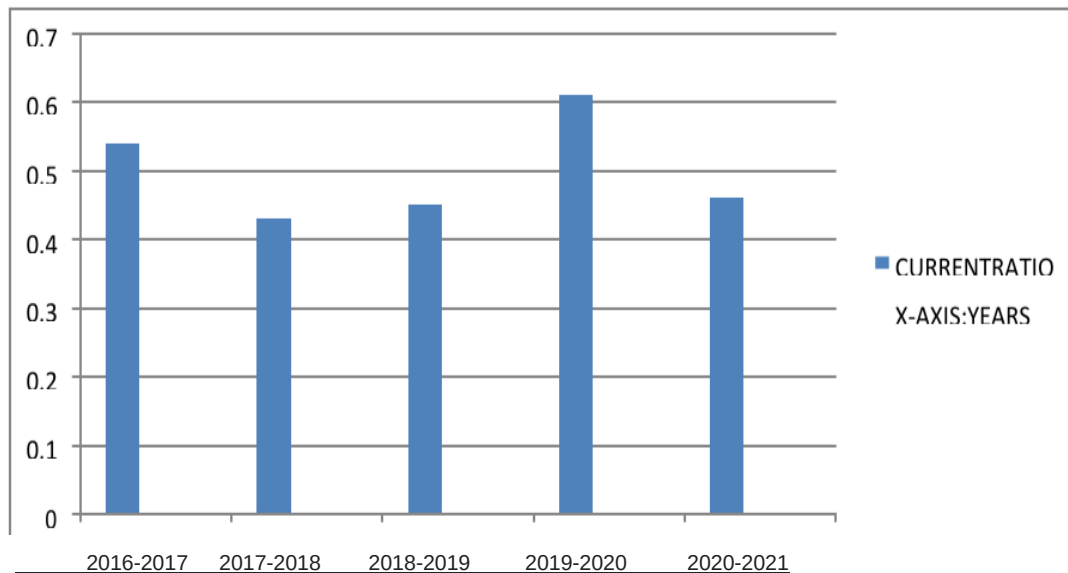
#### 4.1 TABLE SHOWING CURRENT RATIO

Formula:  $\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$

TableNo1: -Calculation of Current Ratio of RIL

| YEAR      | CURRENTASSETS<br>(in Rs. Cr.) | CURRENTLI ABILITIES<br>(in Rs. Cr.) | CURRENTRATIO<br>(in times) |
|-----------|-------------------------------|-------------------------------------|----------------------------|
| 2016-2017 | 67372                         | 125180                              | 0.54                       |
| 2017-2018 | 66977                         | 157130                              | 0.43                       |
| 2018-2019 | 91856                         | 206043                              | 0.45                       |
| 2019-2020 | 129317                        | 213228                              | 0.61                       |
| 2020-2021 | 145373                        | 314301                              | 0.46                       |

Source: Annual report of Reliance Industries Limited



Interpretation: The above table and chart depicts the quick ratio of Reliance Industries Limited. Quick ratio is another liquidity ratio that measures how a company meets its short term obligations with its most liquid assets. It is also called as acid test ratio. Quick ratio is calculated by dividing liquid assets by current liabilities. Liquid assets are those assets which are converted into cash easily and quickly. Liquid assets include cash in hand, cash at bank, cash equivalents, accrued income, promissory notes, etc. Liquid assets are calculated by current assets minus inventory and prepaid expenses. Current liabilities are those debts and obligations of a company that are expected to be dealt with within a year. Current liabilities include accounts payable, short term loans, accrued expenses and notes payable. In the above table and chart, quick ratio has been calculated for the past five financial years, i.e., from 2015-2016 to 2019-2020. In the above chart, 'x' axis denotes the financial years and 'y' axis denotes the quick ratio (in times) for the respective financial years. The quick ratio for the year 2015-2016 is 0.08 times; 2016-2017 is 0.05 times; 2017- 0.03 0.02

2018 is 0.06 times; 2018-2019 is 0.07 times; 2019-2020 is 0.05 times. From the above table it is clear that the quick ratio of Reliance Industries ranges minimum

of 0.05 during the years 2016-2015-2016 2016-2017 2017-2018 2018-2019 2019-2020

2017 and 2019-2020 and maximum of 0.08 during the year 2015-2016. Ratio of 1:1 is held to be the ideal quick ratio indicating that the company has enough liquid assets to pay off its current obligations. But it is clear that in none of the above years liquid assets and current liabilities are in 1:1 ratio. Hence the company is inefficient to payoff its current liabilities from its immediate liquid assets. RIL has to work on its liquid assets to achieve ideal quick ratio.

## 4.2 TABLE SHOWING INVESTMENT TO DEPOSIT RATIO

**TableNo2:- Calculation Of Quick Ratio of RIL**

| YEAR      | ABSOLUTE<br>LIQUID ASSETS<br>(in Rs. Cr.) | CURRENT<br>LIABILITIES<br>(in Rs. Cr.) | ABSOLUTE<br>LIQUID RATIO<br>(in times) |
|-----------|-------------------------------------------|----------------------------------------|----------------------------------------|
| 2016-2017 | 6892                                      | 125180                                 | 0.06                                   |
| 2017-2018 | 1754                                      | 157530                                 | 0.01                                   |
| 2018-2019 | 2791                                      | 206043                                 | 0.01                                   |
| 2019-2020 | 1768                                      | 213228                                 | 0.02                                   |
| 2020-2021 | 8443                                      | 314301                                 | 0.03                                   |

Interpretation: The above table and chart depicts the quick ratio of Reliance Industries Limited. Quick ratio is another liquidity ratio that measures how a company meets its short term obligations with its most liquid assets. It is also called as acid test ratio. Quick ratio is calculated by dividing liquid assets by current liabilities. Liquid assets are those assets which are converted into cash easily and quickly. Liquid assets include cash in hand, cash at bank, cash

equivalents, accrued income, promissory notes, etc. Liquid assets are calculated by current assets minus inventory and prepaid expenses. Current liabilities are those debts and obligations of a company that are expected to be dealt with within a year. Current liabilities include accounts payable, short term loans, accrued expenses and notes payable. In the above table and chart, quick ratio has been calculated for the past five financial years, i.e., from 2016-2017 to 2020-2021. In the above chart, 'x' axis denotes the financial years and 'y' axis denotes the quick ratio (in times) for the respective financial years. The quick ratio for the year 2015-2016 is 0.08 times; 2016-2017 is 0.05times; 2017- 0.03 0.02

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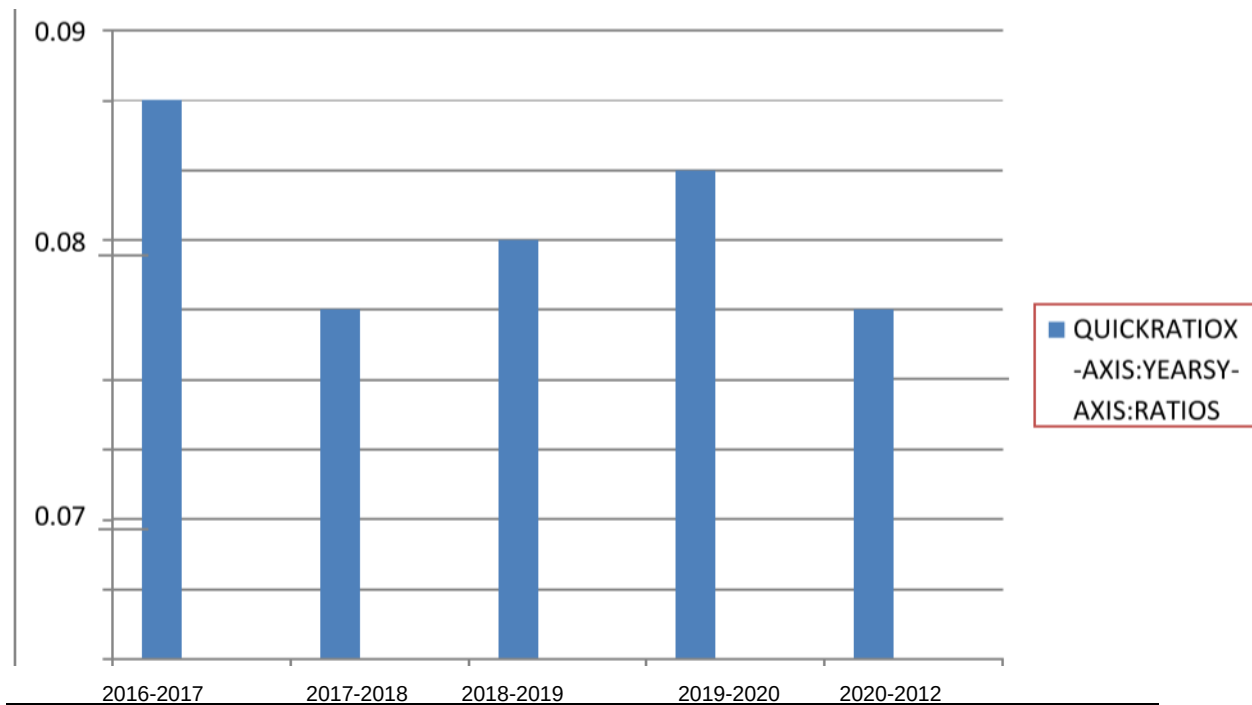
### 4.3 TABLE SHOWING CREDIT TO DEPOSIT RATIO

TableNo3:- Calculation Of Absolute Liquid Ratio of RIL

| YEAR      | LIQUIDASSETS<br>(InRs. Cr.) | CURRENTLI ABILITIES<br>(In Rs.Cr.) | QUICK RATIO<br>(intimes) |
|-----------|-----------------------------|------------------------------------|--------------------------|
| 2016-2017 | 10387                       | 125180                             | 0.08                     |
| 2017-2018 | 7226                        | 157130                             | 0.05                     |
| 2018-2019 | 13191                       | 206043                             | 0.06                     |
| 2019-2020 | 15878                       | 213228                             | 0.07                     |
| 2020-2021 | 15926                       | 314301                             | 0.05                     |

#### RIL YEAR

Liabilities from its immediate liquid assets. RIL has to work on its liquid assets to achieve ideal quick ratio.



Interpretation: The above table and chart depicts the quick ratio of Reliance Industries Limited. Quick ratio is another liquidity ratio that measures how a company meets its short term obligations with its most liquid assets. It is also called as acid test ratio. Quick ratio is calculated by dividing liquid assets by current liabilities. Liquid assets are those assets which are converted into cash easily and quickly. Liquid assets include cash in hand, cash at bank, cash equivalents, accrued income, promissory notes, etc. Liquid assets are calculated by current assets minus inventory and prepaid expenses. Current liabilities are those debts and obligations of a company that are expected to be dealt with within a year. Current liabilities include accounts payable, short term loans, accrued expenses and notes payable. In the above table and chart, quick ratio has been calculated for the past five financial years, i.e., from 2015-2016 to 2019-2020. In the above chart, 'x' axis denotes the financial years and 'y' axis denotes the quick ratio (in times) for the respective financial years. The quick ratio for the year 2016-2017 is 0.08 times; 2017-2018 is 0.05times; 2017-0.03 0.02

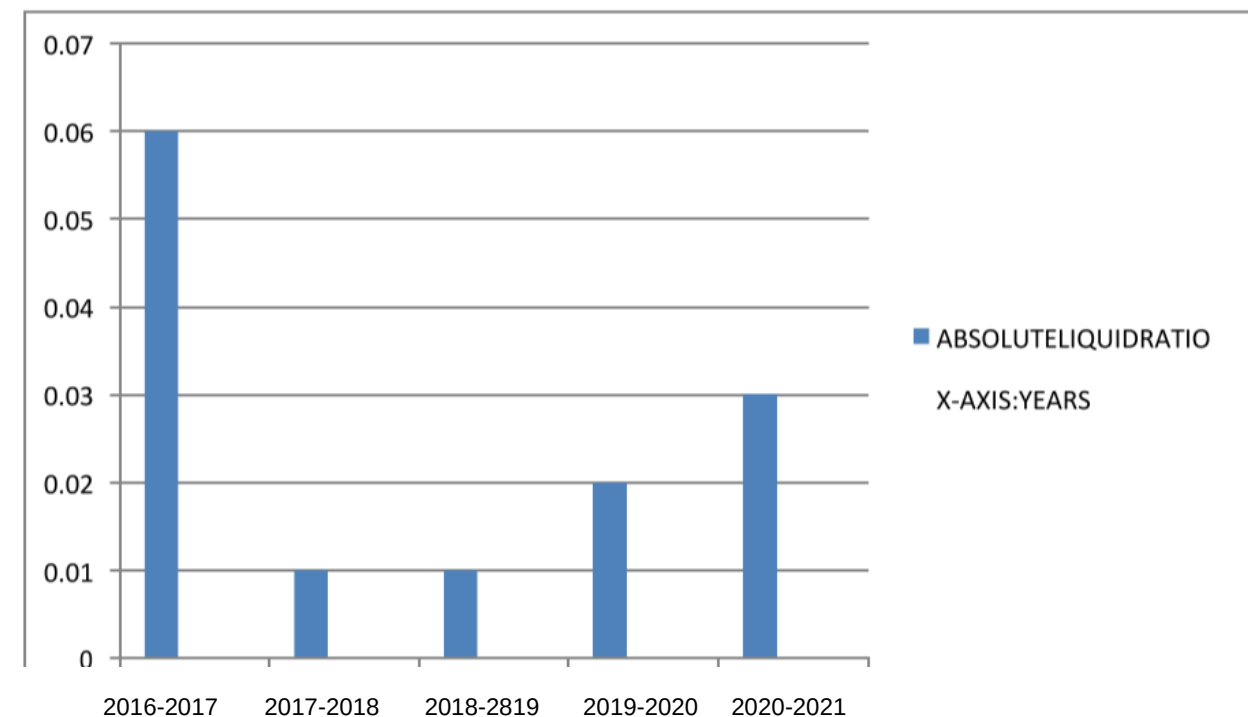
2018 is 0.06 times; 2019-2020 is 0.07 times; 2020-2021 is 0.05 times. From the above table it is clear that the quick ratio of Reliance Industries ranges minimum of 0.05 during the years 2016-2017 2017-2018 2018-2019 2019-2020 2020-2021

2017 and 2019-2020 and maximum of 0.08 during the year 2015-2016. Ratio of 1:1 is held to be the ideal quick ratio indicating that the company has enough liquid assets to pay off its current obligations. But it is clear that in one of the above years liquid assets and current liabilities are in 1:1 ratio. Hence the company is inefficient to payoff its current liabilities from its immediate liquid assets. RIL has to work on its liquid assets to achieve ideal quick ratio.

#### 4.3 TABLE SHOWING CREDIT TO DEPOSIT RATIO

| YEAR      | ABSOLUTE LIQUIDASSETS | CURRENT LIABILITIES | ABSOLUTE LIQUIDRATIO |
|-----------|-----------------------|---------------------|----------------------|
| 2016-2017 | 6892                  | 125180              | 0.06                 |
| 2017-2018 | 1754                  | 157130              | 0.01                 |
| 2018-2019 | 2731                  | 206043              | 0.01                 |
| 2019-2020 | 3768                  | 213228              | 0.02                 |
| 2020-2021 | 8443                  | 314301              | 0.03                 |

Source: Annual report of Reliance Industries Limited.



Interpretation: The above table and chart depicts the absolute liquid ratio of Reliance Industries Limited. Absolute liquid ratio is also a liquidity ratio that

measures the total liquidity which will be available for the company. This ratio tests short term liquidity in terms of cash, marketable securities and current investment. Absolute liquid ratio is calculated by liquid assets divided by liquid liabilities. Liquid assets are those assets that are converted into cash easily. Liquid Assets include cash in hand, cash at bank, cash equivalents, accrued income, promissory notes, marketable securities, etc. Liquid assets are calculated by adding cash in hand, cash at bank and marketable securities. Liquid liabilities are those debt obligations of a company that must to be paid off within a year. Liquid liabilities are calculated by current liabilities minus bank overdraft and cash credit facilities. In the above table and chart, absolute liquid ratio has been calculated for the past five financial years, i.e., from 2015-2016 to 2019-2020. In The Above Chart, 'x' axis denotes the financial years and 'y' axis denotes the absolute liquid ratio (in times) for the respective financial years. The Absolute liquid ratio for the year 2015-2016 is 0.06 times; 2016-2017 is 0.01 times; 2017-2018 is 0.01 times; 2018-2019 is 0.02 times; 2019-2020 is 0.03 times. From the above table it is clear that the absolute liquidity ratio of Reliance Industries ranges minimum of 0.01 during the years 2016-2017 and 2017-2018 and maximum of 0.06 during the year 2015-2016. The most favourable and optimum value for this ratio should be 1: 2. It indicates that 50% of liquid assets is enough to pay off 100% liquid liabilities. If the ratio is less than 1, it means that the company is not able to manage its daily cash requirements. If the ratio is more than 1, it means that the company has enough liquid assets to meet its short term obligations. The absolute liquid assets and current liabilities doesn't satisfy the above condition. Thus, RIL has to improve its absolute liquid assets.

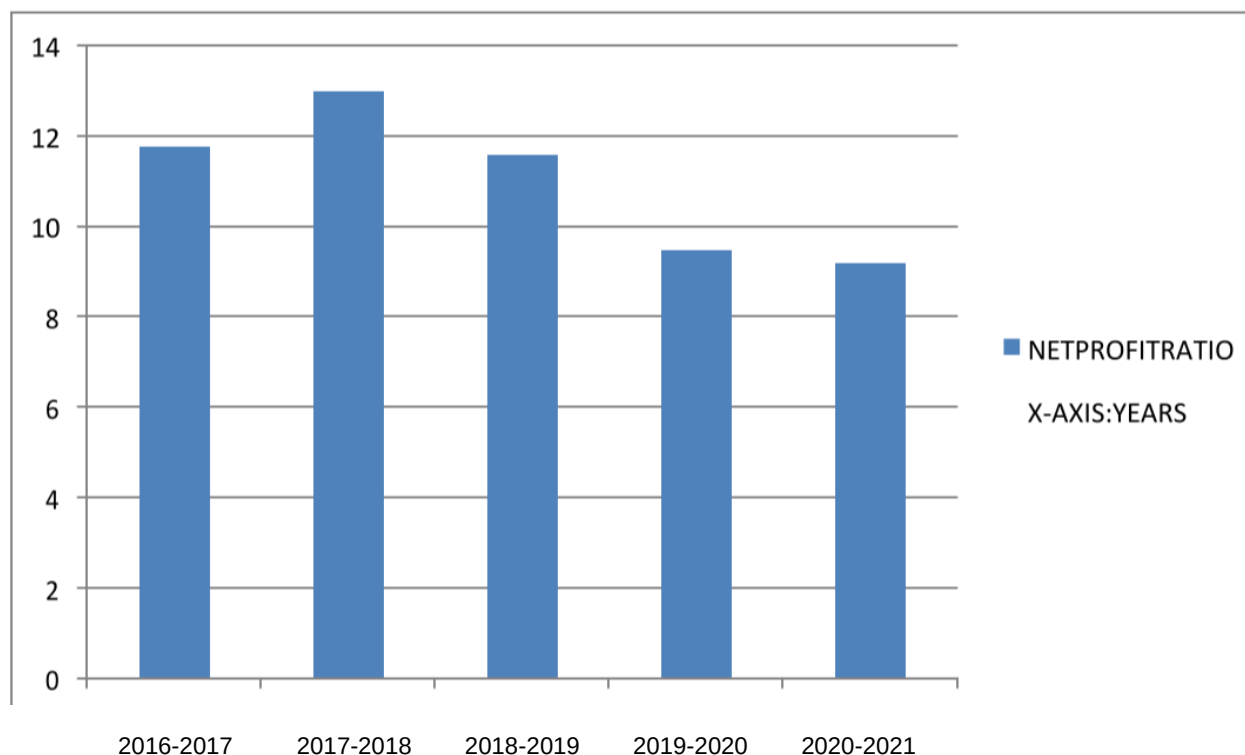
#### 4.4 SHOWING THE TABLE FOR NET PROFIT RATIO

ProfitabilityRatios4.NetProfit RatioFormula: NET

PROFITRATIO=NETPROFIT/NET SALES\*100

| YEARS     | NETPROFIT<br>(InRsCr.) | NETSALES<br>(inRsCr.) | NET PROFITRATIO (%) |
|-----------|------------------------|-----------------------|---------------------|
| 2016-2017 | 27417                  | 233158                | 11.75               |
| 2017-2018 | 31425                  | 242025                | 12.98               |
| 2018-2019 | 33612                  | 290042                | 11.58               |
| 2019-2020 | 35163                  | 371616                | 9.46                |
| 2020-2021 | 30903                  | 371616                | 9.19                |

Source: Annual report of Reliance Industries Limited.



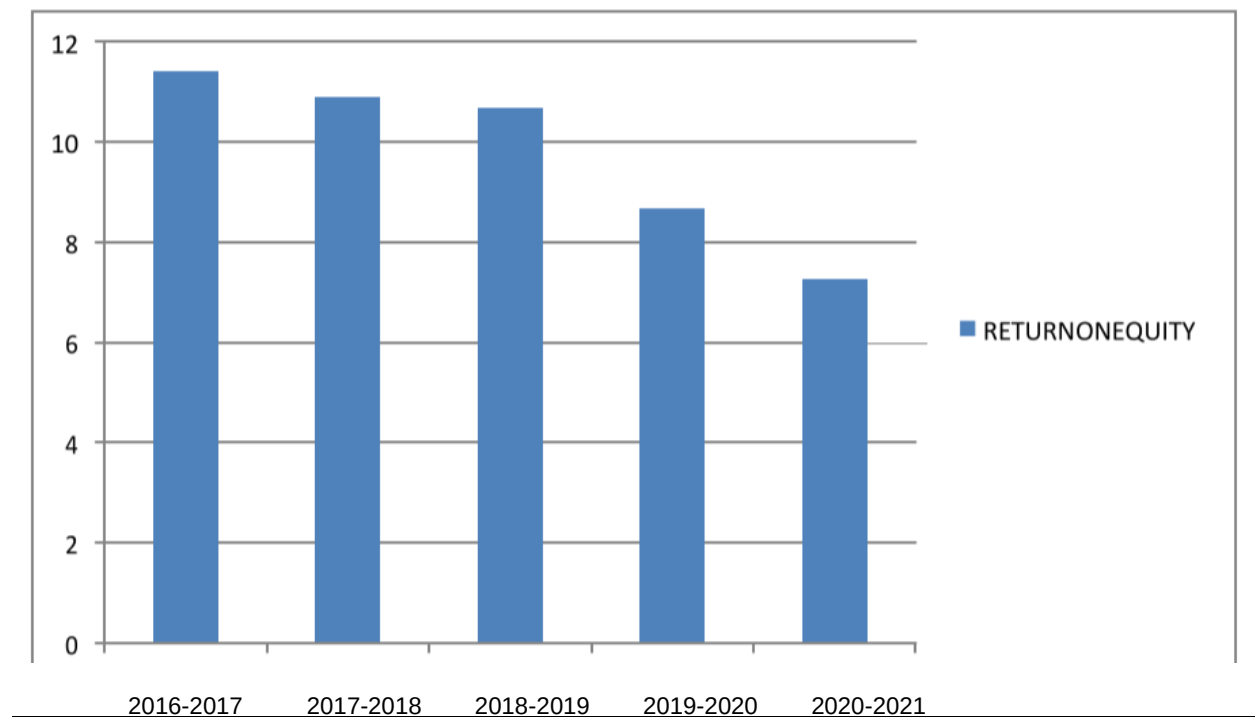
Interpretation The above table and chart shows the net profit ratio of reliance industries limited. Net profit ratio illustrates how much of revenue generated is in the form of profit. The ratio is expressed in terms of percentage. It is key factor that indicates the financial status of the company. The variations in the ratios help in assessing the current practices and for casting the future profits. Net profit ratio is calculated by dividing the net profit by net sales and the multiplying it by 100. Net profit is arrived by deducting all non-operating expenses from the operating profit made by the company. In the above chart, X-Axis denotes the financial years and the Y-Axis denotes the ratios calculated (in %). The Analysis is for the period of five years i.e 2015-2016 to 2019- 2020. The net profit ratio for the year 2015-2016 is 11.75% even though the net profit and sales for the respective years at its least when compared to all other financial years. In the year 2016-2017, the net profit ratio is 12.98% which is the highest of all. The net profit ratios for the years 2017-2018 and 2018-2019 are 11.58% and 9.46% respectively. The year with the highest sales and net profit is 2018-2019 but it didn't achieve the highest net profit ratio. In the year 2019-2020 the net profit ratio is 9.19% which is the least ratio. From The above analysis, we understand that as the sales increases, the net profit ratio tends to decrease and increase when the net profit increases. The ideal net profit ratio is 25%. But the company failed to achieve it in any of the five years. In order

## 4.5 SHOWING THE TABLE FOR CALCULATION OF RATIO

Table No5:-Calculation of Return on Equity of RIL

| YEARS     |       |        |       |
|-----------|-------|--------|-------|
| 2016-2017 | 27417 | 240184 | 11.41 |
| 2017-2018 | 31425 | 288313 | 10.89 |
| 2018-2019 | 33612 | 314647 | 10.68 |
| 2019-2020 | 35163 | 405322 | 8.67  |
| 2020-2021 | 30903 | 424854 | 7.27  |

Source: Annual report of Reliance Industries Limited.



Interpretation: The above chart and table shows the return on equity ratio of reliance industries limited. It is the ratio that measures how much of profits can be earned with the available equity. The ratio is expressed in terms of percentage. Networth is arrived by subtracting the debt from the total assets of the company. In the above chart, X-Axis denotes the financial years and Y-Axis denotes the ratios (in %). The study is for a period of five years i.e 2015-2016 to 2019-2020. The return on equity for the year 2015-2016 is 11.41% which is the highest ratio in these five years. Though the net income and net worth is low, the company is able to achieve the maximum ratio. In the year 2016-2017, the company earned 10.89% return on equity. Then the net income and the net worth continue to increase over the years, yet the ratios keep on decreasing. The ratio for the year 2017-2018 is 10.68% and for the year 2018-2019 is 8.67%. The highest net income and net worth is achieved but the return on equity ratio is only 7.27% for the year 2019-2020. It is very clear from the analysis that as the net income and net worth keeps on increasing, the return on equity ratio keeps on falling

# Balance Sheet of Reliance Industries

----- in Rs. Cr. -----

|                                            | Mar 19            | Mar 18            | Mar 17            | Mar 16            | Mar 15            |
|--------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                            | 12 mths           | 12 mths           | 12 mths           | 12 mths           | 12 mths           |
| <b>EQUITIES AND LIABILITIES</b>            |                   |                   |                   |                   |                   |
| <b>SHAREHOLDER'S FUNDS</b>                 |                   |                   |                   |                   |                   |
| Equity Share Capital                       | 6,339.00          | 6,335.00          | 3,251.00          | 3,240.00          | 3,236.00          |
| <b>Total Share Capital</b>                 | <b>6,339.00</b>   | <b>6,335.00</b>   | <b>3,251.00</b>   | <b>3,240.00</b>   | <b>3,236.00</b>   |
| Reserves and Surplus                       | 398,983.00        | 308,297.00        | 285,058.00        | 236,936.00        | 212,923.00        |
| <b>Total Reserves and Surplus</b>          | <b>398,983.00</b> | <b>308,297.00</b> | <b>285,058.00</b> | <b>236,936.00</b> | <b>212,923.00</b> |
| <b>Total Shareholders Funds</b>            | <b>405,322.00</b> | <b>314,632.00</b> | <b>288,309.00</b> | <b>240,176.00</b> | <b>216,159.00</b> |
| Equity Share Application Money             | 0.00              | 15.00             | 4.00              | 8.00              | 17.00             |
| <b>NON-CURRENT LIABILITIES</b>             |                   |                   |                   |                   |                   |
| Long Term Borrowings                       | 118,098.00        | 81,596.00         | 78,723.00         | 77,866.00         | 76,227.00         |
| Deferred Tax Liabilities [Net]             | 47,317.00         | 27,926.00         | 24,766.00         | 13,159.00         | 12,677.00         |
| Other Long Term Liabilities                | 504.00            | 504.00            | 0.00              | 0.00              | 0.00              |
| Long Term Provisions                       | 2,483.00          | 2,205.00          | 2,118.00          | 1,489.00          | 1,404.00          |
| <b>Total Non-Current Liabilities</b>       | <b>168,402.00</b> | <b>112,231.00</b> | <b>105,607.00</b> | <b>92,514.00</b>  | <b>90,308.00</b>  |
| <b>CURRENT LIABILITIES</b>                 |                   |                   |                   |                   |                   |
| Short Term Borrowings                      | 39,097.00         | 15,239.00         | 22,580.00         | 14,490.00         | 12,914.00         |
| Trade Payables                             | 88,241.00         | 88,675.00         | 68,161.00         | 54,521.00         | 54,470.00         |
| Other Current Liabilities                  | 73,900.00         | 85,815.00         | 60,817.00         | 54,841.00         | 19,063.00         |
| Short Term Provisions                      | 783.00            | 918.00            | 1,268.00          | 1,170.00          | 4,854.00          |
| <b>Total Current Liabilities</b>           | <b>202,021.00</b> | <b>190,647.00</b> | <b>152,826.00</b> | <b>125,022.00</b> | <b>91,301.00</b>  |
| <b>Total Capital And Liabilities</b>       | <b>775,745.00</b> | <b>617,525.00</b> | <b>546,746.00</b> | <b>457,720.00</b> | <b>397,785.00</b> |
| <b>ASSETS</b>                              |                   |                   |                   |                   |                   |
| <b>NON-CURRENT ASSETS</b>                  |                   |                   |                   |                   |                   |
| Tangible Assets                            | 194,895.00        | 191,879.00        | 145,486.00        | 91,477.00         | 79,778.00         |
| Intangible Assets                          | 8,293.00          | 9,085.00          | 9,092.00          | 39,933.00         | 34,785.00         |
| Capital Work-In-Progress                   | 105,155.00        | 92,581.00         | 128,283.00        | 97,296.00         | 65,178.00         |
| Intangible Assets Under Development        | 6,402.00          | 6,902.00          | 4,458.00          | 9,583.00          | 10,575.00         |
| <b>Fixed Assets</b>                        | <b>314,745.00</b> | <b>300,447.00</b> | <b>287,319.00</b> | <b>238,289.00</b> | <b>190,316.00</b> |
| Non-Current Investments                    | 271,980.00        | 171,945.00        | 140,544.00        | 112,630.00        | 62,058.00         |
| Long Term Loans And Advances               | 31,806.00         | 17,699.00         | 10,418.00         | 16,237.00         | 29,259.00         |
| Other Non-Current Assets                   | 4,287.00          | 3,522.00          | 2,184.00          | 0.00              | 0.00              |
| <b>Total Non-Current Assets</b>            | <b>622,818.00</b> | <b>493,613.00</b> | <b>440,465.00</b> | <b>367,156.00</b> | <b>281,633.00</b> |
| <b>CURRENT ASSETS</b>                      |                   |                   |                   |                   |                   |
| Current Investments                        | 59,556.00         | 53,277.00         | 51,906.00         | 39,429.00         | 50,515.00         |
| Inventories                                | 44,144.00         | 39,568.00         | 34,018.00         | 28,034.00         | 36,551.00         |
| Trade Receivables                          | 12,110.00         | 10,460.00         | 5,472.00          | 3,495.00          | 4,661.00          |
| Cash And Cash Equivalents                  | 3,768.00          | 2,731.00          | 1,754.00          | 6,892.00          | 11,571.00         |
| Short Term Loans And Advances              | 4,876.00          | 3,533.00          | 4,900.00          | 11,938.00         | 12,307.00         |
| Other Current Assets                       | 28,473.00         | 14,343.00         | 8,231.00          | 776.00            | 547.00            |
| <b>Total Current Assets</b>                | <b>152,927.00</b> | <b>123,912.00</b> | <b>106,281.00</b> | <b>90,564.00</b>  | <b>116,152.00</b> |
| <b>Total Assets</b>                        | <b>775,745.00</b> | <b>617,525.00</b> | <b>546,746.00</b> | <b>457,720.00</b> | <b>397,785.00</b> |
| <b>OTHER ADDITIONAL INFORMATION</b>        |                   |                   |                   |                   |                   |
| <b>CONTINGENT LIABILITIES, COMMITMENTS</b> |                   |                   |                   |                   |                   |

## **CHAPTER-5**

### **FINDING CONCLUSION**

Reliance Industries reported a consolidated profit after tax (PAT) of Rs 18,549 crore for the quarter ended December 2021, up 42 percent from Rs 13,101 crore registered in the corresponding quarter of the last financial year. The company had reported a profit of Rs 13,680 crore in the

#### **5.1. FINDING**

- 1) Know your audience in advance.

Managers survived major research studies into operator fatigue have been reported, motorcoach operations are not included in this operations Know your audience in advance.

- 2) Tailor your presentation to that audience.
- 3) Highlight the context.
- 4) Policy or practice recommendations
- 5) Include recommendations that are actionable and that help your project.
- 6) Time and practise what you do.
- 7) Avoid power pointlessness.

#### **5.2. SUGGESTIONS**

1. Tailor your presentation to that audience
2. Highlight the context.
3. Policy or practice recommendations.
4. Include recommendations that are actionable and that help your project.
5. Time and practise what you do.
6. Avoid power pointlessness.

### **5.3. CONCLUSION**

During the financial year 2016-2017, Reliance industries limited had given dividend of Rs. 7 per share in the year 207 against given Rs.13 per share in the year 2016, because the company need capital for its growth plans, even though the profit is increased. The projects like KG D6 and SEZ, refineries at Jamnagar started for past one year period from 2017, was a successful one.

During the financial year 2017-2018, Reliance Industries limited had made a record performance in profit growth because the projects in Jamnagar namely KG D6 and SEZ refinery was successful and also the Indian's consumer demand was high in manufacturing.

The company had given an increase in one rupee of dividend per share, Rs.8 per share in the year 2018 compared to previous year Rs. 7 per share in 2017.

During the financial year 2018-2019, was a challenging year because economic uncertainty prevails in Europe (debt crisis), and slows down of economic growth across Asia. These result in inverse impact of customer demand for products and

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**APPENDIX – I (Article)**  
**A STUDY OF FINANCIAL PERFORMANCES OF RELIANCE**  
**INDUSTRIES**

**1. REDDI DEVI PRASAD**

**2. Dr. SHEEDA T.**

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**2. Assistant professor, Sathyabama Institute of Science and technology, Chennai**

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**ABSTRACT:**

Financial ratios are analysis tools, applied to financial data, which are used to identify positive and negative trends, strengths and weaknesses, investment attributes, financial health and other trends, which measure the viability of the business. Ratio analysis is typically used to measure liquidity, leverage, activity, profitability and growth. No single ratio calculation can provide a meaningful complete picture of a company's financial position. Keeping the above point in mind, this study uses 'Z' – score model, which captures the predicate viability of a company's financial health by using a combination of financial ratios that ultimately predicts a score, which are used to determine the financial health of a company. Reliance Industries is such a unique industry which shown its deep routed evolvement and commitment for the welfare of the country men on a big an scale it has clear cut target of improving the standard of living of millions of citizens of India's and thus this industry is in forward with a banner of success and economic prosperity. The study attempts to assess the financial Sustainability of the Reliance Industries in terms of retained earnings to total assets, networking capital position, equity and debt position, Return on total assets position, and net sales turnover position of the company. The study has been done through data from the Reliance Industries financial statements for the period of 5 years i.e. 2016 to 2021

**Keywords:** Reliance Industries Financial Statements

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## 1. INTRODUCTION

Reliance Industries Limited is an Indian multinational conglomerate company headquartered in the city of Mumbai, India. It has diverse businesses including energy, petrochemicals, natural gas, retail, telecommunications, mass media, and textiles. Reliance is one of the most profitable companies in India, the largest publicly traded company in India by market capitalization, and the largest company in India as measured by revenue. It is also the tenth largest employer in India with over 236,000 employees. RIL has a market capitalization of US\$243 billion as of October 2021.

The company has set up a texturizing / twisting facilities in 1979, RIL has also set up plants for Polyester Staple Fiber (PSF) in 1986 and for Linear Alkyl Benzene (LAB) & Purified Terephthalic Acid (PTA) in 1988. RIL has setup a petrochemical facility to produce HDPE and PVC at Hazira, Gujarat in technical collaboration with DuPont and BF Goodrich respectively. The Hazira petrochemical plant was commissioned in 1991-92."

Transformed their business from manufacturing of textiles products into a petrochemical major. The company has set up a texturising / twisting facilities in 1979 RIL has also set up plants for Polyester Staple Fiber (PSF) in 1986 and for Linear Alkyl Benzene (LAB) & Purified Terephthalic Acid (PTA) in 1988. RIL has setup a petrochemical facility to produce HDPE and PVC at Hazira Gujarat in technical collaboration with DuPont and BF Goodrich respectively. The Hazira petrochemical

Reliance Industries Limited (RIL) is an Indian organization headquartered in Mumbai, India. Reliance has its entities across domains like vitality, petrochemicals, materials, common assets, retail, and broadcast communications. Reliance is one of the most prominent businesses in India, the biggest "traded on an open market" organization in India by showcase capitalization, and the biggest organization in India as estimated by income after it outperformed Indian Oil Corporation sometime back. On 18 October 2007,

"Sadly, the conduct of R-ADAG so far makes it difficult for RIL to believe that Shri Anil Ambani has had a real change of heart. For last many years, Sh. Anil Ambani has indulged in a malicious campaign against RIL and its chairman. The campaign reached its nadir in recent months through a vicious series of advertisements, unprecedented in India's corporate history. RIL while denying all the false accusations has responded to this campaign with dignified silence.

The study is to analyze the financial performance of Reliance Industries Limited (RIL) for a period of five years. The objective of the study is to determine the liquidity, profitability and turnover rate of RIL. The tool used to analyze the financial position of the company is Ratio analysis.

The Study is restricted for the study of five years. The analysis is based on annual reports of the company. Strong market position with diverse brand and profit follow. Strong free cash flow and good returns on capital expenditure. Operational and expansion advantage in different business verticals.

## **REVIEW OF LITERATURE**

Yunus, N.M., Malik, S.A. (2012) states that the use of financial model is to predict the performance of a company. The theoretical analysis in the development of model is done using the matrix solution of the Matlab software. The model is then validated with the actual company's business performance to determine the predicting accuracy. Hooks, Jill. (2007) found that this research examines the financial performance of three entities over a fifteen year period. The aim is to determine the influence of corporatization, commercialization and ownership form on the reported financial performance of three entities. Wei, Sun. (2010) found that this paper discusses some theories of the system of performance evaluation, analyses merit and disadvantage of these theories. This paper brings forward the system of performance evaluation with method of fuzzy mathematics. This paper validates the correctness of the system of performance evaluation with the example. Hajek, P., & Olej, V. (2014) found that this paper develops a methodology to extract concepts containing qualitative

information from corporate annual reports. The methodology makes it possible to easily compare the concepts with future financial performance.

## RESEARCH METHODOLOGY

Research Design pertains to the great research approach or strategy adopted for a particular project. A research project has to be conducted scientifically making sure that the data is collected adequately and economically. The study used a descriptive. Research design for the purpose of getting an insight over the issue. It is to provide an accurate picture of some aspects of market environment. Descriptive research is used when the objective is to provide a systematic description that is as factual and accurate as possible.

## DATA ANALYSIS AND INTERPRETATION

### 4.1 TABLE SHOWING CURRENT RATIO

Formula:  $\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$

TableNo1: -Calculation of Current Ratio of RIL

| YEAR      | CURRENTASSETS (in<br>Rs. Cr.) | CURRENTLI ABILITIES (in<br>Rs. Cr.) | CURRENTRATIO<br>(in times) |
|-----------|-------------------------------|-------------------------------------|----------------------------|
| 2016-2017 | 67372                         | 125180                              | 0.54                       |
| 2017-2018 | 66977                         | 157130                              | 0.43                       |
| 2018-2019 | 91856                         | 206043                              | 0.45                       |
| 2019-2020 | 129317                        | 213228                              | 0.61                       |
| 2020-2021 | 145373                        | 314301                              | 0.46                       |

Source: Annual report of Reliance Industries Limited

Interpretation: The above table and chart depicts the quick ratio of Reliance Industries Limited. Quick ratio is another liquidity ratio that measures how a company meets its

short term obligations with its most liquid assets. It is also called as acid test ratio. Quick ratio is calculated by dividing liquid assets by current liabilities. Liquid assets are those assets which are converted into cash easily and quickly. Liquid assets include cash in hand, cash at bank, cash equivalents, accrued income, promissory notes, etc. Liquid assets are calculated by current assets minus inventory and prepaid expenses. Current liabilities are those debts and obligations of a company that are expected to be dealt with within a year. Current liabilities include accounts payable, short term loans, accrued expenses and notes payable. In the above table and chart, quick ratio has been calculated for the past five financial years, i.e., from 2015-2016 to 2019-2020. In the above chart, 'x' axis denotes the financial years and 'y' axis denotes the quick ratio (in times) for the respective financial years. The quick ratio for the year 2015-2016 is 0.08 times; 2016-2017 is 0.05 times; 2017-2018 is 0.03 times; 2018-2019 is 0.01 times; 2019-2020 is 0.01 times.

From the above table it is clear that the quick ratio of Reliance Industries ranges minimum of 0.01 during the years 2016-2015-2016 2016-2017 2017-2018 2018-2019 2019-2020

2017 and 2019-2020 and maximum of 0.08 during the year 2015-2016. Ratio of 1:1 is held to be the ideal quick ratio indicating that the company has enough liquid assets to pay off its current obligations. But it is clear that in none of the above years liquid assets and current liabilities are in 1:1 ratio. Hence the company is inefficient to payoff its current liabilities from its immediate liquid assets. RIL has to work on its liquid assets to achieve ideal quick ratio.

## 4.2 TABLE SHOWING INVESTMENT TO DEPOSIT RATIO

**Table No2:- Calculation Of Quick Ratio of RIL**

| YEAR      | ABSOLUTE LIQUID ASSETS (in Rs. Cr.) | CURRENT LIABILITIES (in Rs. Cr.) | ABSOLUTE LIQUID RATIO (in times) |
|-----------|-------------------------------------|----------------------------------|----------------------------------|
| 2016-2017 | 6892                                | 125180                           | 0.06                             |
| 2017-2018 | 1754                                | 157530                           | 0.01                             |
| 2018-2019 | 2791                                | 206043                           | 0.01                             |

|           |      |        |      |
|-----------|------|--------|------|
| 2019-2020 | 1768 | 213228 | 0.02 |
| 2020-2021 | 8443 | 314301 | 0.03 |

Interpretation: The above table and chart depicts the quick ratio of Reliance Industries Limited. Quick ratio is another liquidity ratio that measures how a company meets its short term obligations with its most liquid assets. It is also called as acid test ratio. Quick ratio is calculated by dividing liquid assets by current liabilities. Liquid assets are those assets which are converted into cash easily and quickly. Liquid assets include cash in hand, cash at bank, cash equivalents, accrued income, promissory notes, etc. Liquid assets are calculated by current assets minus inventory and prepaid expenses. Current liabilities are those debts and obligations of a company that are expected to be dealt with within a year. Current liabilities include accounts payable, short term loans, accrued expenses and notes payable. In the above table and chart, quick ratio has been calculated for the past five financial years, i.e., from 2016-2017 to 2020-2021. In the above chart, 'x' axis denotes the financial years and 'y' axis denotes the quick ratio (in times) for the respective financial years. The quick ratio for the year 2015-2016 is 0.08 times; 2016-2017 is 0.05times; 2017- 0.03 0.02

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#### 4.3 TABLE SHOWING CREDIT TO DEPOSIT RATIO

**TableNo3:- Calculation Of Absolute Liquid Ratio of RIL**

| YEAR | LIQUIDASSETS<br>(InRs. Cr.) | CURRENTLI ABILITIES<br>(In Rs.Cr.) | QUICK RATIO<br>(intimes) |
|------|-----------------------------|------------------------------------|--------------------------|
|------|-----------------------------|------------------------------------|--------------------------|

|           |       |        |      |
|-----------|-------|--------|------|
| 2016-2017 | 10387 | 125180 | 0.08 |
| 2017-2018 | 7226  | 157130 | 0.05 |
| 2018-2019 | 13191 | 206043 | 0.06 |
| 2019-2020 | 15878 | 213228 | 0.07 |
| 2020-2021 | 15926 | 314301 | 0.05 |

## RIL YEAR

Liabilities from its immediate liquid assets. RIL has to work on its liquid assets to achieve ideal quick ratio.

Interpretation: The above table and chart depicts the quick ratio of Reliance Industries Limited. Quick ratio is another liquidity ratio that measures how a company meets its short term obligations with its most liquid assets. It is also called as acid test ratio. Quick ratio is calculated by dividing liquid assets by current liabilities. Liquid assets are those assets which are converted into cash easily and quickly. Liquid assets include cash in hand, cash at bank, cash equivalents, accrued income, promissory notes, etc. Liquid assets are calculated by current assets minus inventory and prepaid expenses. Current liabilities are those debts and obligations of a company that are expected to be dealt with within a year. Current liabilities include accounts payable, short term loans, accrued expenses and notes payable. In the above table and chart, quick ratio has been calculated for the past five financial years, i.e., from 2015-2016 to 2019-2020. In the above chart, 'x' axis denotes the financial years and 'y' axis denotes the quick ratio (in times) for the respective financial years. The quick ratio for the year 2016-2017 is 0.08 times; 2017-2018 is 0.05times; 2017-0.03 0.02

2018 is 0.06 times; 2019-2020 is 0.07 times; 2020-2021 is 0.05 times. From the above table it is clear that the quick ratio of Reliance Industries ranges minimum of 0.05 during the years 2016-2017 2017-2018 2018-2019 2019-2020 2020-2021

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and current liabilities are in 1:1 ratio. Hence the company is inefficient to payoff its current liabilities from its immediate liquid assets. RIL has to work on its liquid assets to achieve ideal quick ratio.

#### 4.3 TABLE SHOWING CREDIT TO DEPOSIT RATIO

| YEAR      | ABSOLUTE<br>LIQUID ASSETS | CURRENT<br>LIABILITIES | ABSOLUTE<br>LIQUID RATIO |
|-----------|---------------------------|------------------------|--------------------------|
| 2016-2017 | 6892                      | 125180                 | 0.06                     |
| 2017-2018 | 1754                      | 157130                 | 0.01                     |
| 2018-2019 | 2731                      | 206043                 | 0.01                     |
| 2019-2020 | 3768                      | 213228                 | 0.02                     |
| 2020-2021 | 8443                      | 314301                 | 0.03                     |

Source: Annual report of Reliance Industries Limited.

Interpretation: The above table and chart depicts the absolute liquid ratio of Reliance Industries Limited. Absolute liquid ratio is also a liquidity ratio that measures the total liquidity which will be available for the company. This ratio tests short term liquidity in terms of cash, marketable securities and current investment. Absolute liquid ratio is calculated by liquid assets divided by liquid liabilities. Liquid assets are those assets that are converted into cash easily. Liquid Assets include cash in hand, cash at bank, cash equivalents, accrued income, promissory notes, marketable securities, etc. Liquid assets are calculated by adding cash in hand, cash at bank and marketable securities. Liquid liabilities are those debt obligations of a company that must to be paid off within a year. Liquid liabilities are calculated by current liabilities minus bank overdraft and cash credit facilities. In the above table and chart, absolute liquid ratio has been calculated for the past five financial years, i.e., from 2015-2016 to 2019-2020. In The Above Chart, 'x' axis denotes the financial years and 'y' axis denotes the absolute liquid ratio (in times) for the respective financial years. The Absolute liquid ratio for the year 2015-2016 is 0.06 times; 2016-2017 is 0.01 times; 2017-2018 is 0.01 times; 2018-2019 is

0.02 times; 2019-2020 is 0.03 times. From the above table it is clear that the absolute liquidity ratio of Reliance Industries ranges minimum of 0.01 during the years 2016-2017 and 2017-2018 and maximum of 0.06 during the year 2015-2016. The most favourable and optimum value for this ratio should be 1: 2. It indicates that 50% of liquid assets is enough to pay off 100% liquid liabilities. If the ratio is less than 1, it means that the company is not able to manage its daily cash requirements. If the ratio is more than 1, it means that the company has enough liquid assets to meet its short term obligations. The absolute liquid assets and current liabilities doesn't satisfy the above condition. Thus, RIL has to improve its absolute liquid assets.

#### 4.4 SHOWING THE TABLE FOR NET PROFIT RATIO

Profitability Ratios 4. Net Profit Ratio Formula:  $\text{NET PROFIT RATIO} = \frac{\text{NET PROFIT}}{\text{NET SALES}} \times 100$

| YEARS     | NET PROFIT<br>(In Rs Cr.) | NET SALES<br>(in Rs Cr.) | NET PROFIT RATIO (%) |
|-----------|---------------------------|--------------------------|----------------------|
| 2016-2017 | 27417                     | 233158                   | 11.75                |
| 2017-2018 | 31425                     | 242025                   | 12.98                |
| 2018-2019 | 33612                     | 290042                   | 11.58                |
| 2019-2020 | 35163                     | 371616                   | 9.46                 |
| 2020-2021 | 30903                     | 371616                   | 9.19                 |

Source: Annual report of Reliance Industries Limited.

**Interpretation** The above table and chart shows the net profit ratio of Reliance Industries Limited. Net profit ratio illustrates how much of revenue generated is in the form of profit. The ratio is expressed in terms of percentage. It is a key factor that indicates the financial status of the company. The variations in the ratios help in assessing the current practices and for casting the future profits. Net profit ratio is calculated by dividing the net profit by net sales and multiplying it by 100. Net profit is arrived by deducting all non-operating expenses from the operating profit made by the company. In the above

chart, X-Axis denotes the financial years and the Y-Axis denotes the ratios calculated (in %). The Analysis is for the period of five years i.e 2015-2016 to 2019- 2020. The net profit ratio for the year 2015-2016 is 11.75% even though the net profit and sales for the respective years at its least when compared to all other financial years. In the year 2016-2017, the net profit ratio is 12.98% which is the highest of all. The net profit ratios for the years 2017-2018 and 2018-2019 are 11.58% and 9.46% respectively. The year with the highest sales and net profit is 2018-2019 but it didn't achieve the highest net profit ratio. In the year 2019-2020 the net profit ratio is 9.19% which is the least ratio. From The above analysis, we understand that as the sales increases, the net profit ratio tends to decrease and increase when the net profit increases. The ideal net profit ratio is 25%. But the company failed to achieve it in any of the five years. In order

#### 4.5 SHOWING THE TABLE FOR CALCULATION OF RATIO

Table No5:-Calculation of Return on Equity of RIL

| YEARS     |       |        |       |
|-----------|-------|--------|-------|
| 2016-2017 | 27417 | 240184 | 11.41 |
| 2017-2018 | 31425 | 288313 | 10.89 |
| 2018-2019 | 33612 | 314647 | 10.68 |
| 2019-2020 | 35163 | 405322 | 8.67  |
| 2020-2021 | 30903 | 424854 | 7.27  |

Source: Annual report of Reliance Industries Limited.

Interpretation: The above chart and table shows the return on equity ratio of reliance industries limited. It is the ratio that measureshow much of profits can be earned with the available equity. The ratiois expressed in terms of percentage. Networth is arrived by subtracting the debt from the total assets of the company. In the above chart, X-Axis denotes thefinancial years and Y-Axis denotes theratios (in %). The study is for a period of five years i.e 2015-2016 to 2019-2020. The return on equity for the year 2015-2016 is 11.41% which is the highest ratio in these five years. Thoughthe net income and net

worth is low, the company is able to achieve the maximum ratio. In the year 2016-2017, the company earned 10.89% return on equity. Then net income and net worth continued to increase over the years, yet the ratios keep on decreasing. The ratio for the year 2017-2018 is 10.68% and for the year 2018-2019 is 8.67%. The highest net income and net worth is achieved but the return on equity ratio is only 7.27% for the year 2019-2020. It is very clear from the analysis that as the net income and net worth keeps on increasing, the return on equity ratio keeps on falling.

## **FINDING**

- 1) Know your audience in advance.

Managers survived major research studies into operator fatigue have been reported, motorcoach operations are not included in this operations. Know your audience in advance.

- 2) Tailor your presentation to that audience.

- 3) Highlight the context.

- 4) Policy or practice recommendations

- 5) Include recommendations that are actionable and that help your project.

- 6) Time and practise what you do.

- 7) Avoid power pointlessness.

## **5.2. SUGGESTIONS**

1. Tailor your presentation to that audience

2. Highlight the context.

3. Policy or practice recommendations.

4. Include recommendations that are actionable and that help your project.

5. Time and practise what you do.

6. Avoid power pointlessness.

## **5.3. CONCLUSION**

During the financial year 2016-2017, Reliance industries limited had given dividend of Rs. 7 per share in the year 207 against given Rs.13 per share in the year 2016, because the company need capital for its growth plans, even though the profit is increased. The projects like KG D6 and SEZ, refineries at Jamnagar started for past one year period from 2017, was a successful one.

During the financial year 2017-2018, Reliance Industries limited had made a record performance in profit growth because the projects in Jamnagar namely KG D6 and SEZ refinery was successful and also the Indian's consumer demand was high in manufacturing.

The company had given an increase in one rupee of dividend per share, Rs.8 per share in the year 2018 compared to previous year Rs. 7 per share in 2017.

During the financial year 2018-2019, was a challenging year because economic uncertainty prevails in Europe (debt crisis), and slows down of economic growth across Asia. These result in inverse impact of customer demand for products and

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