

Internship Report On

Financial analysis of Reliance Industries Limited



*Submitted in partial fulfilment of the requirements
for the award of the Degree*

BACHELOR OF BUSINESS ADMINISTRATION

By

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BBA/15057/19



**DEPARTMENT OF MANAGEMENT
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PATNA CAMPUS 2021

This is to certify that the work presented is the report of financial analysis of “**Reliance Industries Limited**” in partial fulfilment of the requirement for the award of Degree of **Bachelor of Business Administration** of Birla Institute of Technology, Mesra (Patna Campus) is an authentic work carried out under my supervision and guidance.

To the best of my knowledge, the content of this report does not form a basis for the award of any previous Degree to anyone else.

Date :

(Guide’s Name & Signature)

Department of Management,
Birla Institute of Technology,
Patna Campus.

Head,

Department of Management,
Birla Institute of Technology,
Patna Campus.

CERTIFICATE OF APPROVAL

The foregoing project of report on financial analysis on “**Reliance Industries Limited**” is hereby approved as a creditable study of research topic and has been presented in satisfactory manner to warrant its acceptance as prerequisite to the degree for which it has been submitted.

It is understood that by this approval, the undersigned do not necessarily endorse any conclusion drawn or opinion expressed therein, but approve the report for the purpose for which it is submitted.

(Internal Examiner)

(External Examiner)

ACKNOWLEDGEMENT

I am really glad that I managed to complete my report on internship project within the time given by my subject teacher, Sohini ma'am. The assignment could not be completed without the support of my guide Sushil sir. Last but not the least, I would like to express gratitude to my respondents for their support. Thankyou!

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Introduction

The project assigned to me is to study the financial health of any organization and I decided to choose one of India's largest companies in a sector that has rapidly grown from several years and a company where leaders were like Mr. Dhirubhai Ambani.

Through this report, I tried and analyze the financial environment in which Reliance Industry Limited is operating and all those financial factors that is influencing the company and its decision making. In this the financial statements of last four years are identified, studied and interpreted. Finally, I study ratio analysis, fund flow analysis and cash flow analysis of the company to analyze the financial position of the company in last four years.

The objective of this study was to understand the information contained in financial statements with a view to know the strength or weakness of the enterprise.

Company Profile

The Reliance group was founded by **Dhirubhai H Ambani** in 1960s as the India's largest private sector enterprise, with businesses in the energy and material value chain. Reliance Industries Limited, is the largest private sector company in India, whose chairman is **Mukesh Ambani**.

It has evolved from being a textiles and polyester company to an integrated player across **energy petrochemicals, textiles, natural resources, retails and telecommunications** and operates world-class manufacturing facilities across the country. Reliance's products and services portfolio cater almost all needs of people on a daily basis, socially as well as economically.

Reliance Industry in India has a wide portfolio of business and is the highest taxpayer in the Indian Private Sector. It accounts for over 5% of the Indian Government's revenues and almost 8% of the total merchandise exports from India. The company is ranked **155th on the Fortune Global 500 list** of the world's biggest corporations as of 2021.

LEADING TEAM

Mukesh Ambani, Chairman

Today, Reliance Group is touching the sky of success under the excellent

guidance of Mukesh D. Ambani.

He has been the part of Reliance Board **since 1977**. He started the journey of

Reliance from textiles to polyester fibers and further into petrochemicals and

petroleum refining and then in oil and gas production. Mukesh Ambani has introduced numerous top class manufacturing facilities which raised the **Reliance's petrochemicals manufacturing** capacities.

The company was said to be India's largest **petrochemical firm** and Oil refining which was also involved in textiles business.



Stock

Reliance has more than 6 billion shareholders, making it one of the world's most widely held stocks, means it have been among the best performing in the Indian stock market.

Products & Services

Reliance Industries Limited has a wide range of products from petroleum products, petrochemicals, to garments. Reliance Retail has also entered into the fresh foods market as Reliance Fresh and launched a new chain called Delight Reliance Retail. The company is also involved in oil & gas exploration and production and financial services. During the time of 2010 Reliance also entered into digital services along with that it entered into the sector of media and entertainment.

Subsidiaries

Major Subsidiaries & Associates

- **Reliance Petroleum Limited (RPL)** was a subsidiary of Reliance Industries Limited (RIL) and was created to exploit the emerging opportunities, creating value in the refining sector worldwide. Currently, RPL stands amalgamated with RIL.
- **Reliance Life Sciences** is a research-driven, biotechnology-led, life sciences organization that participates in medical, plant and industrial biotechnology opportunities. Specifically, these relate to

Biopharmaceuticals, Pharmaceuticals, Clinical Research Services, Regenerative Medicine, Molecular Medicine, Novel Therapeutics, Bio-fuels, Plant Biotechnology and Industrial Biotechnology.

- **Reliance Industrial Infrastructure Limited (RIIL)** is engaged in the business of setting up / operating Industrial Infrastructure that also involves leasing and providing services connected with computer software and data processing.
- **Reliance Institute of Life Sciences (Rils)** established by Dhirubhai Ambani Foundation, is an institution of higher education in various fields of life sciences and related technologies.
- **Reliance Logistics (P) Limited** is a single window solutions provider for transportation, distribution, warehousing, logistics, and supply chain needs, supported by in house state of art telemetric and telemetry solutions.
- **Reliance Clinical Research Services (RCRS)**, a contract research organization (CRO) and wholly owned subsidiary of Reliance Life Sciences, has been set up to provide clinical research services to pharmaceutical, biotechnology and medical device companies.
- **Reliance Solar**, The solar energy initiative of Reliance aims to bring

solar energy systems and solutions primarily to remote and rural areas and bring about a transformation in the quality of life.

- **Relicord** is the first and one of the most dependable stem-cell banking services of South East Asia offered by Mukesh Ambani controlled Reliance Industries.
- **Reliance Jio** which entered during the time of 2019 and act as the holding company of India's largest mobile network which also made the significant investment across its digital ecosystem.
- **Reliance Retail** is the retail business wing of the Reliance business. Many brands like Reliance Fresh, Reliance Footprint, Reliance Time Out, Reliance Digital, Reliance Wellness, Reliance Trends, Reliance AutoZone, Reliance Super, Reliance Mart, Reliance iStore, Reliance Home Kitchens, and Reliance Jewel come under the Reliance Retail brand. Reliance saw opportunity in retailing chicken, mutton and other meat products (halal and non-halal) through one of its retail arms called "Delight Non Veg." But during the time of 2013 one of the Delight outlets was shut down due to protest by anti-animal cruelty activists at Delhi who want Reliance to close its non-veg food marketing, which was highlighted and spread across the country.

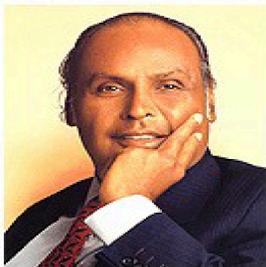
Environmental record

Reliance Industry ranks 3rd in the world's largest polyester producers and because of this it is also said to be the largest producers of polyester waste in the world. So in order to deal with this large amount of waste they had created a way to recycle the waste. They operate the largest polyester recycling center that uses the polyester waste as a filling and stuffing. They use this process to develop a strong recycling process which also made them won a reward in the Team Excellence competition. They basically follow the 5Rs , that are **Reduce, Reuse, Recycle, Renew and Respect.**

From past time only it has been seen that Reliance power has made great efforts to preserve and uphold the natural resources and reduced the environmental impact of its products and services throughout their lifecycle in order to be a responsible corporate citizen.

Current composition of the Board and Category of Directors are as Follows:

"Between my past, the present and the future, there is one common Factor: Relationship and Trust. This is the foundation of our growth."



Shri Dhirubhai H. Ambani
Chairman Reliance Group
December 28, 1932 - July 6, 2002

Board of Directors of Reliance Industries Limited



Shri Mukesh D Ambani
Chairman & Managing
Director



Shri Nikhil R. Meswani
Executive Director
Director



Shri Hital R. Meswani
Executive Director



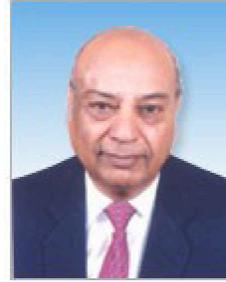
Shri .S.Kohli
Executive



**Shri PMS Prasad
Ramniklal H.**
Executive Director



Shri R. Ravimohan
Executive Director



**Shri
Ambani**



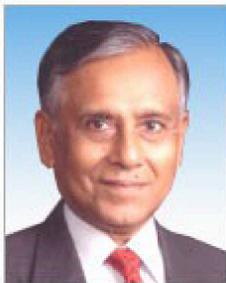
**Shri Mansingh L.
Bhakta**



Shri Yogendra P. Trivedi



Dr. D. V. Kapur



**Shri M. P. Modi
Jain**



Prof. Ashok Misra



Prof. Dipak C

MISSION : -

“Be a globally preferred Business associate with responsible Concern for ecology, society, and stakeholder’s value”.

VALUES : -

“Integrity, Respect for People, Unity of Purpose, Outside-in Focus, Agility and Innovation”.

QUALITY POLICY : -

“Bare committed to meet customers’ requirements through continual improvement of our quality management systems. We shall sustain organizational excellence through visionary leadership and innovative efforts”.

Awards & Recognition (2020 – 2021)

- **Won Gold for “Digital Marketing Excellence in Social Media” at Digixx Awards 2020 by Adgully.**
- **“Social Media App Effectiveness” award at Global Customer Engagement Awards 2020 by ACEF.**
- **“Most Admired Emerging Retail Brand of the Year” at Mapic India Retail Awards 2021.**
- **“The Retailer of the Year” and “Marketing Campaign of the Year” at the Business Leader of the Year Awards.**
- **“India’s Only Electronics Retailer Super Brand” for the second consecutive year.**

- **“ Guarded Retail Employees Amidst Turbulence” (GREAT) Award at TRRAIN Retail Awards 2020 – 21.**
- **Snactac Mixed Fruit Jam and Scrubz were ranked No 1 in their respective categories by Consumer Voice magazine in FY2020-21.**
- **Marks & Spencer Reliance India Private Limited featured in the top 10 list of India’s Best Companies to work for women.**
- **Marks & Spencer Reliance India Private Limited CII SCALE award for outstanding performance in Supply Chain and Logistics.**

Literature Review

In this topic, an overview of various aspects and issues related is done by reviewing of the past data which has already been studied by someone at national and international level of the Reliance Industries Limited. The review of literature can help us to draw some significant conclusions and serve as a guide for this study.

Some of the important studies have been reviewed under different performance measures such as efficiency, productivity, profitability and quality of the seevices.

(1) **Lalit. M Vaniya** – who has done master of Philosophy in commerce in

Saurashtra university, Rajkot . He did the financial analysis of reliance Industries limited during the time of March 2008.

For him the main objective of the study was to understand financial analysis and its conceptual framework to evaluate it with financial statements using the t-test method (so to determine also the differences between the mean of two groups).

From his analysis he concluded that the position regarding the net margin was better than that at the operating profit margin at reliance industries limited. From all the financial resources committed to the firm, have increased during the period under review, except in the year 2003 . after the proper analysis and interpretation he found that the financial statement can provide valuable insight into a firm's performance.

(2) **Hooks Jill.** – In 2007 did the analysis of a research on the financial performance of three entities of the reliance Industry over last fifteen year period and identified and concluded the influence of corporatization, commercialization and ownership on the reported financial performance of those three entities.

(3) **Wei Sun.** – In 2010 he did the analysis of some theories on reliance industries limited and found the discussion of regarding the performance evaluation and he examined or did the analysis on merit and demerits and concluded that all those theories were based on fuzzy mathematics which

were difficult to perceive.

(4) **Hajek & Olej** – In 2014 did the study and developed a methodology to extract concepts containing qualitative information from corporate annual reports. And this methodology only made it possible to easily compare the concepts with future financial performance. The results which which was concluded from the financial analysis suggested that annual reports differ in terms of the concepts if given more importance over the future financial performance.

(5) **M. Kannadhasan** – In 2007 he made an attempt to have an insight into the examination of financial health of a reliance digital in India. For evaluating the financial conditions and performance of a company, he used the Z- score model in his study, which captured the predictive viability of a company's financial health by using a combination of financial ratios and concluded that the success agility and innovation.

(6) **Selvam & Vanitha** – In 2004 they did a study on financial health of cement Industry through Z score analysis and had revealed about the financial health of the Cement industry with the special reference to India Cements Limited.

(7) **Krishna Chaitanya** – In 2005 he Measured the Financial Distress of IDBI Using

“Altman Z –Score Model” in his analysis and lastly concluded that IDBI is likely

to become insolvent in the years to come and with this it is obvious to

assume that how negatively it would have affect the reliance industry , which

was it share holder with majority of stake in IDBI.

References -

<https://scholar.google.com/>

[https://www.ijemr.net/DOC/AStudyOnFinancialPerformanceOfRelianceIndustriesL
imited](https://www.ijemr.net/DOC/AStudyOnFinancialPerformanceOfRelianceIndustriesLimited)

<http://www.ijser.org>

Research Methodology

Research is basically the systematic and scientific process of collecting, recording and analysing of data about problem relating to any particular field. It helps to determine the strength, reliability and accuracy of the project.

1. **Research Design** - It is the overall frame work and research approach or strategy which is adopted for a particular project. A research project

has to be the conducted scientifically making sure that the data is collected adequately and economically.

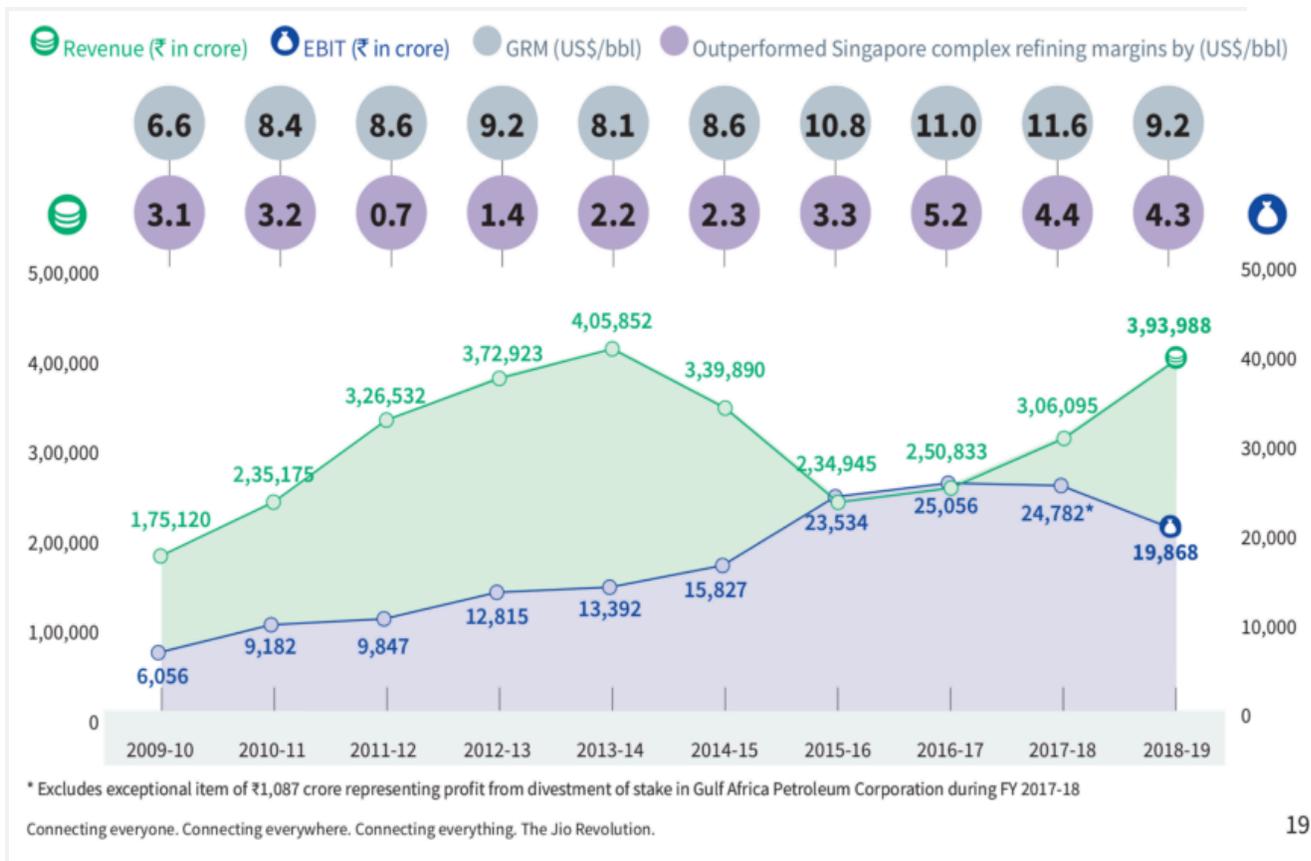
2. Method of Data Collection - **Secondary Data source** (Through internet authentic webistes and published data).

BUSINESS MODEL : -

1. **Oil and Gas** - This remains the smallest segment contributing 1% to their earnings. As the name suggests, they extract oil and gas from several fields. They own 4 fields and they have 2 joint ventures in USA. The KG D6 fields is one of their biggest assets but there is a constant decrease in the extraction of oil and gas due to the depleting resources. Panna Mukta is their second field. Volumes of oil and gas extracted in this field have decreased by 20% when we compare with the previous year. Their third block is CBM. RIL commenced production in this block in 2017 and its not fully utilized but the volume of oil & gas extracted here are growing rapidly.

They also have 2 joint ventures where the amount of gas extracted has also decreased when we compare with the previous years. These joint ventures are of Shale gas. (Shale gas refers to natural gas that is trapped within shale formations. Shale are rocks that can be rich sources of petroleum and natural gas.)

2. Refining



Their second business model “Refining” contributes 23.4% to their earnings.

understand how this segment works – as we already know Reliance industry limited also extracts oil, but this oil can’t be used in its raw form because oil has many components and it can’t be used in normal applications, so it has to be refined or purified. After refining, we get many products as end result that can be used in normal applications. One needs to know that when you extract oil, there are several types of oil and when you refine this oil, you can achieve many products. RIL Jamnagar refinery complex is the worlds largest refining hub and the most complex as well and this gives them some advantages.

As mentioned before, there are several types of oil. Refineries aren’t able to process all types of oil. They can refine only some of them. In the case of RIL, as they have invested so much in technology, they are able to refine many different types, and this gives them a very big advantage. This is their first advantage, and this allows them to compete with refineries in Europe and US.

Their second advantage is scalability(ability to adopt change in performance) as it is the worlds largest refinery. The third advantage is that they have managed to build this huge facility at a very low cost and in a very short amount of time and with a very low maintenance cost.

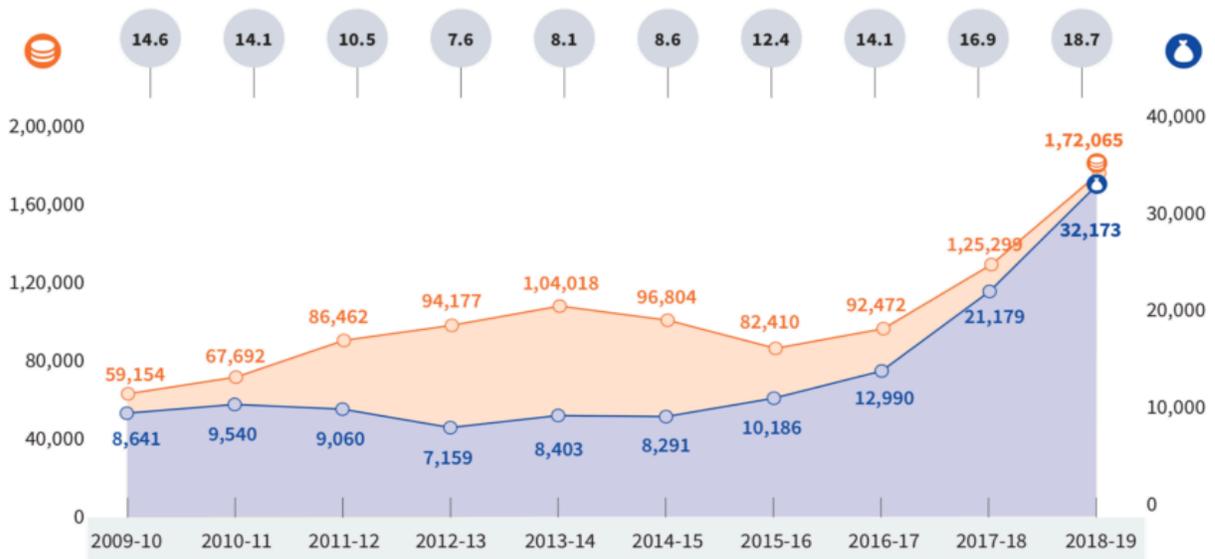
When we study refineries, there is one important metric that will help us understand their margins, that is Gross Refining Margin.

Their margins in the last 10 years has been consistently growing, from 6.6% in 2010–11 to 9.2% in 2020–21. So, now we know that their margins are very good, but we need to understand why are they so high? This is because RIL only focuses on achieving high margin products such as diesel, gasoline, naphtha (used in petrochemicals). They also produce LPG, which is also a fuel. They focus on these products because they can achieve higher margins.

Reliance Industry focuses more over new strategy, which is Oil to chemical. As in general way oil is refined to get the end product, but RIL instead of focusing on so

many end products, they only focus on jet fuel and petrochemicals because they know that the demand of petrochemicals and jet fuel is very high at the moment plus everyone knows how the automobiles industry is changing and everyone wants to decrease the consumption of the fuel.

3. Petrochemicals



Connecting everyone. Connecting everywhere. Connecting everything. The Jio Revolution.

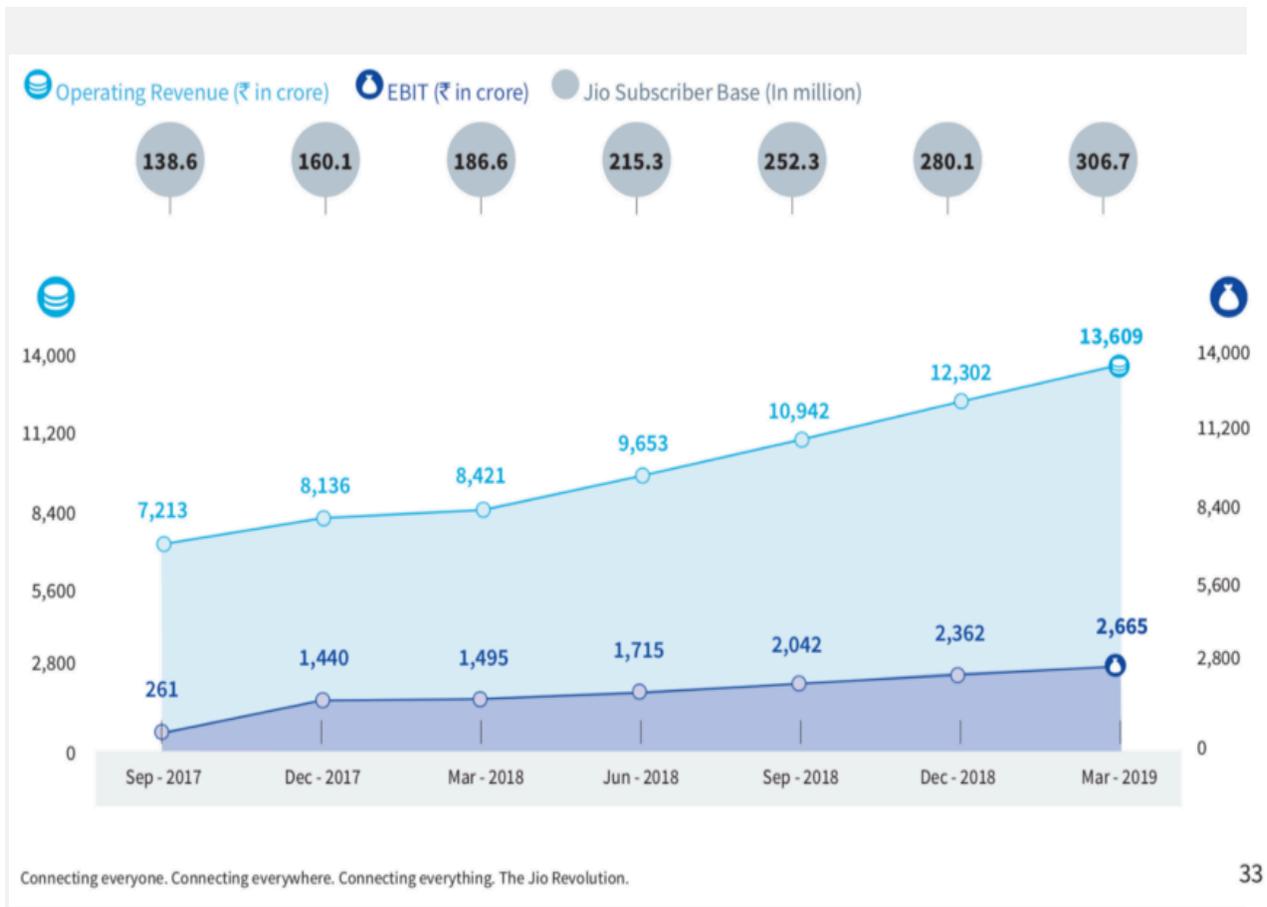
23

Their third segment is petrochemicals which contributes 40% to their earnings. These are basically the chemical products derived from petroleum. In order to produce petrochemicals, you need raw materials such as Naphtha, which is one of the end products of refining oil. There are four basic categories of petrochemicals.

1. The first one is polymers, which is used in many industries such as housing, automobiles & packaging.
2. The second category is Polyester, which is used in textiles.
3. The third category is aromatics and fiber intermediates, which are used in textile and many of them are used to make polyester.
4. The last petrochemical is Elastomers, which is used in tyre and automobile industry.

They are market leaders in many categories of these petrochemicals, domestically and internationally as well. Their revenues and margins in this segment have sky rocketed in the recent years and forms a major chunk of their business. It has been analysed that whenever RIL makes any products, they also try to produce the raw materials so that they can control the whole value chain.

4. Digital Services (JIO)



22% of their business comes from the digital services which comprises of JIO. It is the largest operator in India. They achieved this feat by offering fast internet at a very cheap price together with free calls.

Reason behind they did best in this segment where other operators are struggling?

JIO was the first player to offer internet at such high speed along with its cheap price. In order to provide this service, Reliance invested heavily in optic fiber network as that would help them deliver faster internet speed.

The network they created with this high investment will help them during the time of 5G internet with extremely small increase in cost and this thing is their advantage.

The second advantage is that JIO's initial focus was on mobile internet but as they already have their network built, they have started offering home broadband services together with large and small medium enterprises. Home broadband services include perks such as landline phone at no cost, entertainment and fast internet. In some cases, you also get 4k TV.

But there are several other companies offering broadband as well, so what's so unique about JIO?

The thing is that JIO has built an ecosystem with many successful apps such as JioTV, JioCinema, JioChat, JioNews. Ofcourse they offer fast internet at cheap price and their revenues and profits are increasing at a steady pace in this segment.

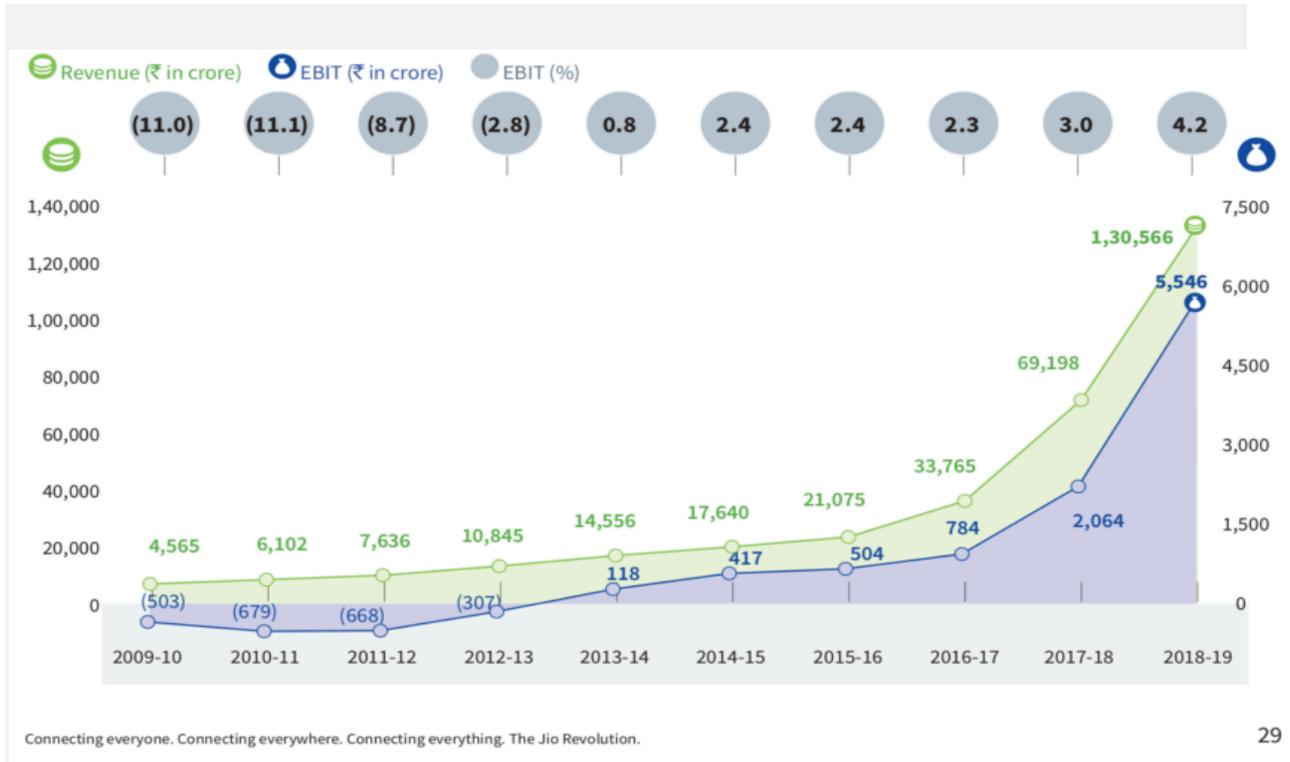
NUMBER OF JIO SUBSCRIBERS (FY 2018-19)

(million)

306.7 million



5. Retail



29

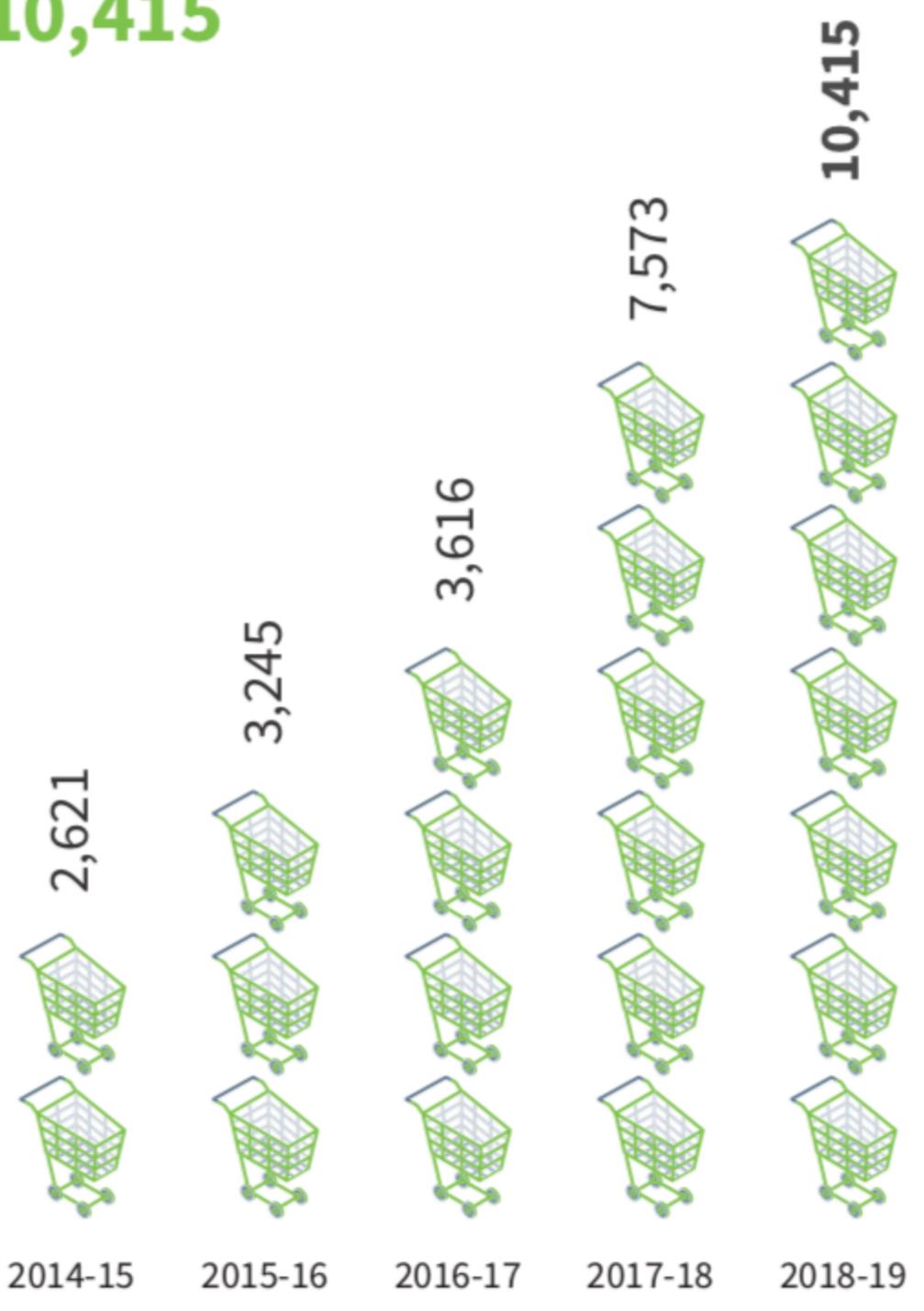
This segment contributes 9% to their earnings.

They have many branches such as Reliance Fresh for groceries, Reliance Digital for electronics and Reliance trends for clothes. They have their own brands in Reliance Trends, but they have also partnered with several brands such as Diesel, Hugo Boss & Armani.

RETAIL STORES

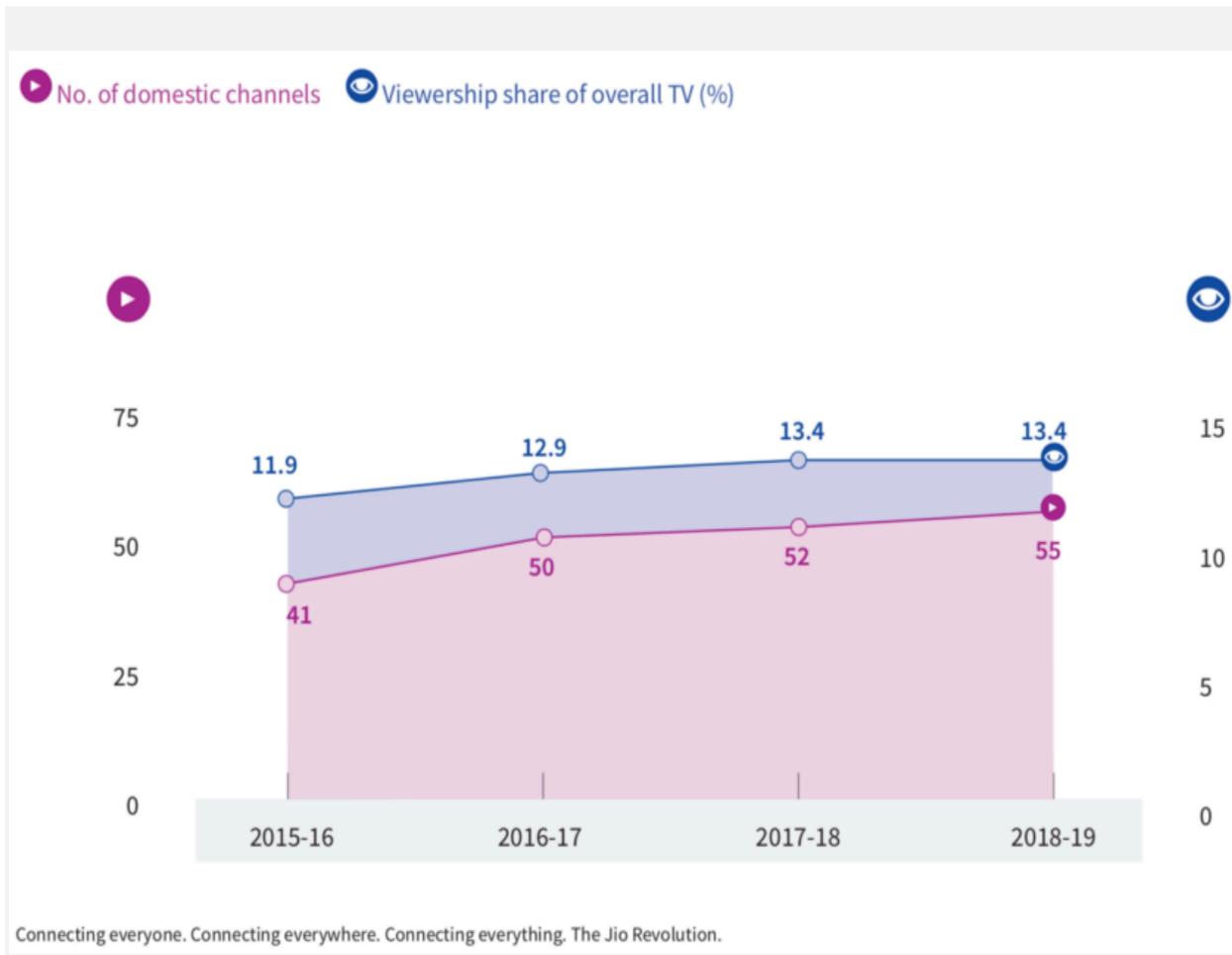
(nos)

10,415



This segment is also growing very rapidly as RIL noted that in India, the majority of retail business is done in the unorganized market. But these unorganized markets don't have the technology and infrastructure to compete with bigger companies. RIL's retail may avail the facility to digitally connect kirana stores with customers which will bring in the unorganized sector in the organized form.

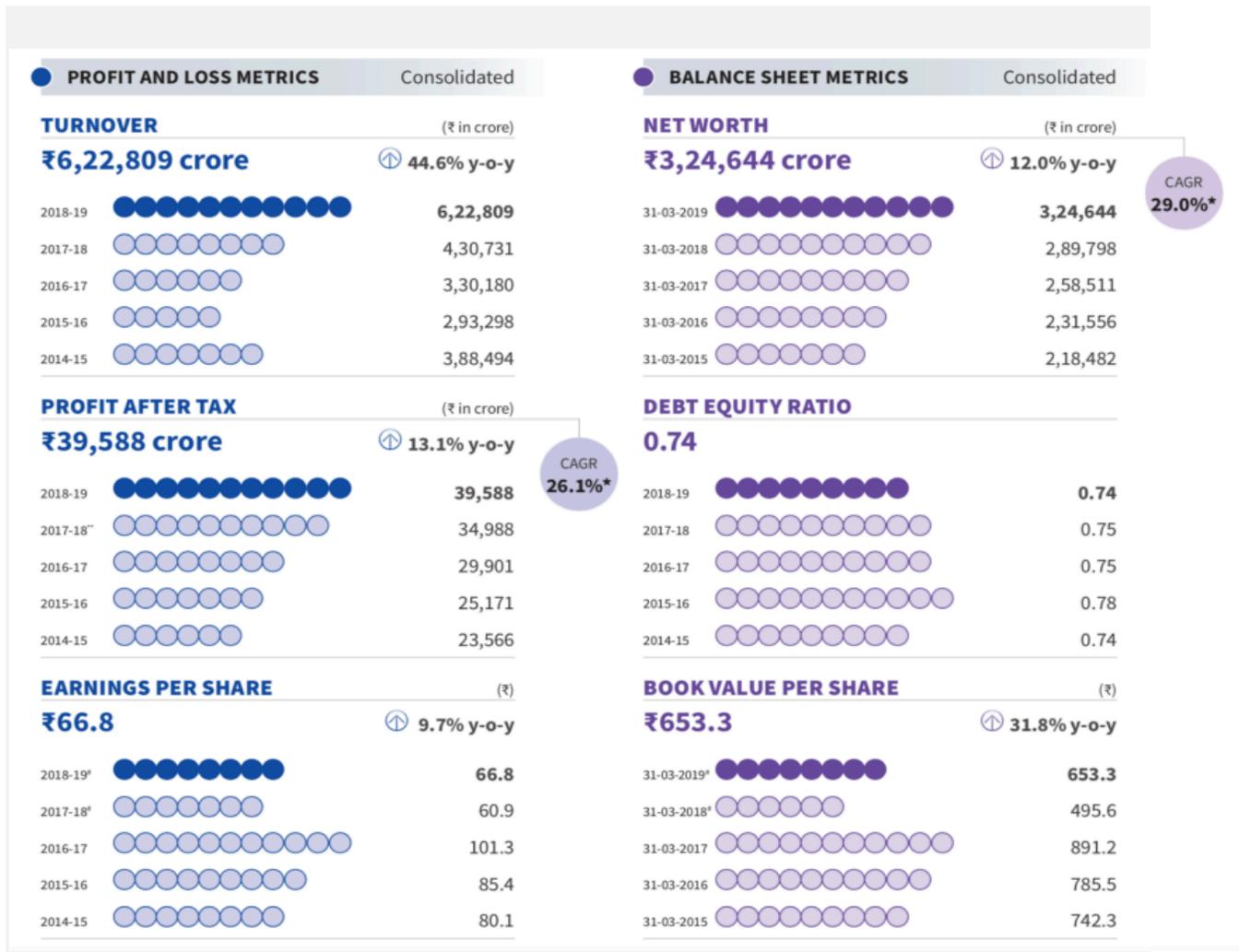
6. Media



Now, we come to the last segment which is Media which contributes only 4% to their earnings. In this they have Networks which boasts of 55 channels in India spanning news and entertainment, including 16 international channels such as CNBC, Colors, CNN & Nickeldeon. They are also present in the print business with

Forbes India. In the entertainment business, they own JioStudios & Viacom18. They also own Money Control & News18 as digital news providers.

FINANCIALS & VALUATIONS



Data analysis and Interpretation

Key Financial Ratios (in Rs Cr.)

| | March '21 | March '20 | March '19 | March '18 | March '17 |
|--|-----------|-----------|-----------|-----------|-----------|
| Investment Valuation Ratios | | | | | |
| Face Value | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Dividend Per Share | 7.00 | 6.50 | 6.50 | 6.00 | 11.00 |
| Operating Profit Per Share (Rs) | 49.54 | 83.33 | 92.85 | 81.68 | 133.04 |
| Net Operating Profit Per Share (Rs) | 363.30 | 531.53 | 586.27 | 457.87 | 744.40 |
| Free Reserves Per Share | -- | -- | -- | -- | -- |
| Bonus in Equity Capital | 80.51 | 81.85 | 81.85 | 81.90 | 64.85 |
| Profitability Ratios | | | | | |
| Operating Profit Margin(%) | 13.63 | 15.67 | 15.83 | 17.83 | 17.87 |
| Profit Before Interest And Tax Margin(%) | 9.32 | 12.29 | 12.69 | 14.13 | 13.87 |
| Gross Profit Margin(%) | 9.89 | 12.79 | 12.99 | 14.53 | 14.37 |
| Cash Profit Margin(%) | 14.14 | 12.80 | 12.01 | 14.48 | 15.90 |
| Adjusted Cash Margin(%) | 14.14 | 12.80 | 12.01 | 14.48 | 15.90 |
| Net Profit Margin(%) | 13.00 | 9.17 | 9.46 | 11.58 | 12.98 |
| Adjusted Net Profit Margin(%) | 12.26 | 8.81 | 9.24 | 11.26 | 12.53 |
| Return On Capital Employed(%) | 5.85 | 8.77 | 10.15 | 12.24 | 11.16 |
| Return On Net Worth(%) | 6.73 | 7.89 | 8.67 | 10.68 | 10.89 |
| Adjusted Return on Net Worth(%) | 5.82 | 8.98 | 8.67 | 10.68 | 10.89 |
| Return on Assets Excluding Revaluations | 701.68 | 617.13 | 639.44 | 496.68 | 886.76 |
| Return on Assets Including Revaluations | 701.68 | 617.13 | 639.44 | 496.68 | 886.76 |

| | | | | | |
|---|-------|-------|-------|-------|-------|
| Return on Long Term Funds(%) | 6.15 | 9.67 | 10.91 | 12.71 | 11.85 |
| Liquidity And Solvency Ratios | | | | | |
| Current Ratio | 0.77 | 0.36 | 0.48 | 0.41 | 0.35 |
| Quick Ratio | 0.73 | 0.33 | 0.40 | 0.25 | 0.21 |
| Debt Equity Ratio | 0.41 | 0.65 | 0.39 | 0.31 | 0.35 |
| Long Term Debt Equity Ratio | 0.34 | 0.50 | 0.29 | 0.26 | 0.27 |
| Debt Coverage Ratios | | | | | |
| Interest Cover | 2.41 | 4.68 | 5.86 | 10.82 | 15.98 |
| Total Debt to Owners Fund | 0.41 | 0.65 | 0.39 | 0.31 | 0.35 |
| Financial Charges Coverage Ratio | 2.98 | 5.48 | 6.94 | 12.88 | 19.08 |
| Financial Charges Coverage Ratio Post Tax | 3.54 | 4.36 | 5.69 | 10.28 | 15.65 |
| Management Efficiency Ratios | | | | | |
| Inventory Turnover Ratio | 7.45 | 9.44 | 9.10 | 7.97 | 7.79 |
| Debtors Turnover Ratio | 42.20 | 34.40 | 32.93 | 36.41 | 53.98 |
| Investments Turnover Ratio | 0.37 | 0.52 | 0.66 | 7.97 | 7.79 |
| Fixed Assets Turnover Ratio | 0.58 | 0.79 | 1.18 | 0.95 | 0.97 |
| Total Assets Turnover Ratio | 0.38 | 0.53 | 0.67 | 0.72 | 0.64 |
| Asset Turnover Ratio | 0.37 | 0.56 | 0.76 | 0.72 | 0.67 |
| Average Raw Material Holding | -- | -- | -- | -- | -- |
| Average Finished Goods Held | -- | -- | -- | -- | -- |

| | | | | | |
|--|--------|---------|--------|---------|---------|
| Number of Days In Working Capital | -90.30 | -174.91 | -67.96 | -131.04 | -114.28 |
| Profit & Loss Account Ratios | | | | | |
| Material Cost Composition | 73.51 | 74.14 | 75.32 | 72.63 | 72.07 |
| Imported Composition of Raw Materials Consumed | -- | -- | -- | -- | -- |
| Selling Distribution Cost Composition | -- | -- | -- | -- | -- |
| Expenses as Composition of Total Sales | 73.24 | 84.34 | 57.67 | 58.53 | -- |
| Cash Flow Indicator Ratios | | | | | |
| Dividend Payout Ratio Net Profit | 12.27 | 12.46 | 10.10 | 9.68 | -- |
| Dividend Payout Ratio Cash Profit | 9.53 | 9.48 | 7.77 | 7.53 | -- |
| Earning Retention Ratio | 85.82 | 89.05 | 89.90 | 90.32 | 100.00 |
| Adjusted Cash Flow Times | 5.26 | 5.67 | 3.44 | 2.24 | 2.54 |

Cash Flow (in Rs. Cr.)

| | Mar 21 | Mar 21 | Mar 20 | Mar 20 | Mar 19 |
|--|--------|--------|--------|--------|--------|
|--|--------|--------|--------|--------|--------|

| | 12 months | 12 months | 12 months | 12 months | 12 months |
|---|--------------|------------------|--------------|------------------|------------------|
| Net Profit/Loss Before Extraordinary Items And Tax | 0.00 | 27,212.00 | 0.00 | 40,316.00 | 47,367.00 |
| Net CashFlow From Operating Activities | 0.00 | -512.00 | 0.00 | 77,533.00 | 29,191.00 |
| Net Cash Used In Investing Activities | 0.00 | 74,257.00 | 0.00 | -143,625.0 0 | -53,949.0 0 |
| Net Cash Used From Financing Activities | 0.00 | -76,657.0 0 | 0.00 | 70,767.00 | 25,795.00 |
| Adjustments on Amalgamation / Merger / Demerger / Others | 0.00 | 0.00 | 0.00 | 42.00 | 0.00 |
| Net Increment/Decrement in Cash And Cash Equivalents | 0.00 | -2,912.00 | 0.00 | 4,717.00 | 1,037.00 |
| Cash And Cash Equivalents in Begining of Year | 0.00 | 8,485.00 | 0.00 | 3,768.00 | 2,731.00 |
| Cash And Cash Equivalents at the end of Year | 0.00 | 5,573.00 | 0.00 | 8,485.00 | 3,768.00 |

Balance sheet (in Rs. Cr.)

| | March 21 | March 20 | March 19 | March 18 | March 17 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 months |
| EQUITIES AND LIABILITIES | | | | | |
| SHAREHOLDER'S FUNDS | | | | | |
| Equity Share Capital | 6,445.00 | 6,339.00 | 6,339.00 | 6,335.00 | 3,251.00 |
| Total Share Capital | 6,445.00 | 6,339.00 | 6,339.00 | 6,335.00 | 3,251.00 |
| Reserves and Surplus | 468,038.00 | 384,875.00 | 398,983.00 | 308,297.00 | 285,058.00 |
| Total Reserves & Surplus | 468,038.00 | 384,875.00 | 398,983.00 | 308,297.00 | 285,058.00 |
| Total Shareholders Funds | 474,483.00 | 391,214.00 | 405,322.00 | 314,632.00 | 288,309.00 |
| Equity Share Application Money | 0.00 | 1.00 | 0.00 | 15.00 | 4.00 |
| NON-CURRENT LIABILITIES | | | | | |
| Long Term Borrowings | 160,598.00 | 194,402.00 | 118,098.00 | 81,596.00 | 78,723.00 |
| Deferred Tax Liabilities [Net] | 30,788.00 | 50,556.00 | 47,317.00 | 27,926.00 | 24,766.00 |
| | 4,518.00 | 3,434.00 | 504.00 | 504.00 | 0.00 |

| | | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Other Long Term Liabilities | | | | | |
| Long Term Provisions | 1,499.00 | 1,410.00 | 2,483.00 | 2,205.00 | 2,118.00 |
| Total Non-Current Liabilities | 197,403.00 | 249,802.00 | 168,402.00 | 112,231.00 | 105,607.00 |
| CURRENT LIABILITIES | | | | | |
| Short Term Borrowings | 33,152.00 | 59,899.00 | 39,097.00 | 15,239.00 | 22,580.00 |
| Trade Payables | 86,999.00 | 71,048.00 | 88,241.00 | 88,675.00 | 68,161.00 |
| Other Current Liabilities | 80,735.00 | 198,662.00 | 73,900.00 | 85,815.00 | 60,817.00 |
| Short Term Provisions | 901.00 | 1,073.00 | 783.00 | 918.00 | 1,268.00 |
| Total Current Liabilities | 201,787.00 | 330,682.00 | 202,021.00 | 190,647.00 | 152,826.00 |
| Total Capital And Liabilities | 873,673.00 | 971,699.00 | 775,745.00 | 617,525.00 | 546,746.00 |
| ASSETS | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Tangible Assets | 292,092.00 | 297,854.00 | 194,895.00 | 191,879.00 | 145,486.00 |
| Intangible Assets | 14,741.00 | 8,624.00 | 8,293.00 | 9,085.00 | 9,092.00 |
| Capital Work-In-Progress | 20,765.00 | 15,638.00 | 105,155.00 | 92,581.00 | 128,283.00 |
| Intangible Assets Under Development | 12,070.00 | 12,327.00 | 6,402.00 | 6,902.00 | 4,458.00 |
| Fixed Assets | 339,668.00 | 334,443.00 | 314,745.00 | 300,447.00 | 287,319.00 |

| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Non-Current Investments | 252,620.00 | 421,793.00 | 272,043.00 | 171,945.00 | 140,544.00 |
| Long Term Loans And Advances | 65,698.00 | 44,348.00 | 31,806.00 | 17,699.00 | 10,418.00 |
| Other Non-Current Assets | 4,968.00 | 4,461.00 | 4,287.00 | 3,522.00 | 2,184.00 |
| Total Non-Current Assets | 662,954.00 | 805,045.00 | 622,881.00 | 493,613.00 | 440,465.00 |
| CURRENT ASSETS | | | | | |
| Current Investments | 94,665.00 | 70,030.00 | 59,640.00 | 53,277.00 | 51,906.00 |
| Inventories | 37,437.00 | 38,802.00 | 44,144.00 | 39,568.00 | 34,018.00 |
| Trade Receivables | 4,159.00 | 7,483.00 | 12,110.00 | 10,460.00 | 5,472.00 |
| Cash And Cash Equivalents | 5,573.00 | 8,485.00 | 3,768.00 | 2,731.00 | 1,754.00 |
| Short Term Loans And Advances | 993.00 | 15,028.00 | 4,876.00 | 3,533.00 | 4,900.00 |
| Other Current Assets | 67,892.00 | 26,826.00 | 28,326.00 | 14,343.00 | 8,231.00 |
| Total Current Assets | 210,719.00 | 166,654.00 | 152,864.00 | 123,912.00 | 106,281.00 |
| Total Assets | 873,673.00 | 971,699.00 | 775,745.00 | 617,525.00 | 546,746.00 |
| OTHER ADDITIONAL INFORMATION | | | | | |
| CONTINGENT LIABILITIES, COMMITMENTS | | | | | |
| Contingent Liabilities | 25,921.00 | 45,924.00 | 111,869.00 | 66,970.00 | 73,386.00 |

| | | | | | |
|--|------------|------------|------------|------------|------------|
| CIF VALUE OF IMPORTS | | | | | |
| EXPENDITURE IN FOREIGN EXCHANGE | | | | | |
| Expenditure In Foreign Currency | 134,436.00 | 260,280.00 | 307,558.00 | 221,977.00 | 0.00 |
| REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS | | | | | |
| Dividend Remittance In Foreign Currency | - | - | - | - | - |
| EARNINGS IN FOREIGN EXCHANGE | | | | | |
| FOB Value Of Goods | - | - | - | - | - |
| Other Earnings | 179,929.00 | 284,196.00 | 214,337.00 | 169,763.00 | - |
| BONUS DETAILS | | | | | |
| Bonus Equity Share Capital | 5,188.89 | 5,188.89 | 5,188.89 | 5,188.89 | 2,108.56 |
| NON-CURRENT INVESTMENTS | | | | | |
| Non-Current Investments Quoted Market Value | 21,240.00 | 27,475.00 | 12,937.00 | 12,182.00 | 15,991.00 |
| Non-Current Investments Unquoted Book Value | 235,348.00 | 394,521.00 | 259,314.00 | 160,045.00 | 124,851.00 |
| CURRENT INVESTMENTS | | | | | |
| Current Investments Quoted Market Value | 36,303.00 | 31,814.00 | 24,017.00 | 13,133.00 | 10,731.00 |
| Current Investments Unquoted Book Value | 58,362.00 | 38,216.00 | 35,623.00 | 40,144.00 | 41,175.00 |

INTERPRETATION –

The data above are collected from the secondary source that is through reliable website. From the analysis, we find that the company is lagging a bit in some areas and improving those will help the company to achieve its ideal ratios. The profitability ratio is better when compared to liquidity ratios. The company was able to achieve the ideal ratios of profitability in few years but was not able to achieve the liquidity ratio even for a single year and also the working capital turnover has been negative for all the fiveyears. The company must improve to bring the working capital to a positive rate by decreasing its current liabilities but since the long term assets is much for than the long term liabilities so the focus over the current liabilities can be overlooked.

Suggestion & Recommendation

Through the analysis of the above financial data in my opinion I would recommend certain things that if they looked after this then it would be a bit better thing.

1. The company must decrease its current liabilities and increase its current assets in order to raise the liquidity ratios to the ideal level.
2. The company is required to focus a bit more on profit and net income in the upcoming years so to keep its profitability ratios at maximum.
3. The company must look for increasing of its net sales constantly so that it can have a better turnover ratios.

Conclusion

Reliance Industries Limited is India's largest company with all major parameters and fore sure it has the capability of acquiring weaker firms by throwing them out of competition. So the motive behind this study was to analyse the financial performance of the entire industry using the balance sheet, for the period of 2017 - 2021. The analysis is based on the sources of secondary data which gave the exact picture of the Industry and it can also be helpful for the management to take managerial decisions and to create new ideas. This study also gives the knowledge about usefulness of the tools. This company is in good position but has to improve in some areas to satisfy the ideal ratios. The company would've improved a lot if it had reduced its borrowings.. Thus, if the company takes into account the suggestions made in this study, then it might have a bit better chance of more improvement. Hence, over all it can be concluded that the industry is in good going.

