

**An Organization Study Report on
RELIANCE INDUSTRIES LIMITED
(18MBAOS307)**

Submitted by
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USN: 1CR19MBA34

Submitted to
VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI



In partial fulfillment of the requirement for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION

Under Guidance of

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CERTIFICATE BY THE INSTITUTION

This is to certify that **Mr. JOSHUA A** bearing **USN 1CR19MBA34** is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on **RELIANCE INDUSTRIES LIMITED** is prepared by him under the guidance of **Mr. Santosh Kathari**, Assistant Professor, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, affiliated to Visvesvaraya Technological University, Belagavi Karnataka.


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DECLARATION

I, **Mr. Joshua A** bearing **USN: 1CR19MBA34**, hereby declare that the Organization Study conducted at **RELIANCE INDUSTRIES LIMITED** is record of independent work carried out by me under the guidance of **Prof. Kathari Santosh** faculty of M.B.A Department of CMR Institute of Technology, Bengaluru.


I also declare that this organisation study report is towards the partial of the university regulation for the award of degree of **Master of Business Administration by Visvesvaraya Technological University, Belagavi.**

I have undergone an organization study for a period of four weeks. I further declare that this organisation study report is based on the original study undertaken by me and not been submitted for the award of any degree/diploma from any other University /Institution.

Disclaimer

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Place: Bengaluru
Date: 28-09-2020


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EXECUTIVE SUMMARY:

Reliance Industries Limited (RIL) is an Indian multinational conglomerate company headquartered in Mumbai, Maharashtra, India. Reliance owns businesses across India engaged in energy, petrochemicals, textiles, natural resources, retail, and telecommunications. 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 after recently surpassing the government-controlled Indian Oil Corporation. On 22 June 2020, Reliance Industries became the first Indian company to exceed US\$150 billion in market capitalization after its market capitalization hit ₹11,43,667 crore on the BSE.

Reliance Group is a conglomerate holding company in India that 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. RIL was the first Indian company to breach \$100 billion market capitalization in 2007 and 2019 it has become the first Indian firm to cross Rs 9 lakh crore market valuation marks. The company has ranked **106th on the Fortune Global 500 list** of the world's biggest corporations as of 2019

It is ranked 8th among the Top 250 Global Energy Companies by Platt's as of 2016. Reliance continues to be India's largest exporter, accounting for 8% of India's total merchandise exports with a value of ₹1,47,755 crore and access to markets in 108 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

“For those who dare to dream, there is a whole world to win.”

-- Shri Dhirubhai H. Ambani



CHAPTER – 1
INTRODUCTION

Reliance Industries



Reliance

Industries Limited

Growth is Life

<u>Type</u>	Public company
Industry	Conglomerate
Founded	8 May 1973; 47 years ago,
Headquarters	<u>Mumbai, Maharashtra, India</u>
Area served	<u>Worldwide</u>
Key people	Mukesh Ambani (Chairman & MD)
Products	<ul style="list-style-type: none">• Petroleum.• Natural Gas• Petrochemicals• Textiles• Retail• Telecommunications• Media• Music• Entertainment• Television• Banking

- Software

INTRODUCTION:

Our motto “Growth is Life” aptly captures the ever-evolving spirit of Reliance. We have evolved from being a textiles and polyester company to an integrated player across energy, materials, retail, entertainment and digital services. In each of these areas, we are committed to innovation-led, exponential growth. Our vision has pushed us to achieve global leadership in many of our businesses.

Reliance's products and services portfolio touches almost all Indians on a daily basis, across economic and social spectrums. We are now focused on building platforms that will herald the Fourth Industrial Revolution and will create opportunities and avenues for India and all its citizens to realise their true potential.

In 2017-18, Reliance completed 40 years of its IPO. It was a celebration of visionary entrepreneurship, global scale and all-encompassing value creation. More importantly, it was an opportunity for us to rededicate efforts to help build the India of tomorrow and imagine a future that would see a billion lives transformed.

At Reliance, the world may have changed around us, from when we first began, but our commitment and vision have not. We have evolved from being a textiles and polyester company to an integrated player across energy, materials, retail, entertainment and digital services. Yet, it feels like we have only just begun.

We are now focussed on building platforms that will herald the Fourth Industrial Revolution and will create opportunities and avenues for India and all its citizens to realise their true potential. Historically, Reliance has focussed on setting new industry benchmarks. When we created the world's largest single location refinery at Jamnagar, we put India on the global energy map and created a national asset.

When we forayed into the retail business, we accelerated the formalisation of an entire sector by maximising supply chain efficiency. And, most recently, when we entered the digital services business through Jio, we have transformed the Indian telecom space, and created globally unheard of benchmarks in terms of subscriber acquisition, data consumption and infrastructure ramp-up.

CHAPTER: 2

INDUSTRY PROFILE

HISTORY:

1960–1980

The company was co-founded by Dhirubhai Ambani and Champaklal Damani in 1960's as **Reliance Commercial Corporation**. In 1965, the partnership ended and Dhirubhai continued the polyester business of the firm. In 1966, Reliance Textiles Engineers Pvt. Ltd. was incorporated in Maharashtra. It established a synthetic fabrics mill in the same year at Naroda in Gujarat. On 8 May 1973, it became Reliance Industries Limited. In 1975, the company expanded its business into textiles, with "Vimal" becoming its major brand in later years. The company held its Initial public offering (IPO) in 1977. The issue was over-subscribed by seven times. In 1979, a textiles company Sidhpur Mills was amalgamated with the company. In 1980, the company expanded its polyester yarn business by setting up a Polyester Filament Yarn Plant in Patalganga, Raigad, Maharashtra with financial and technical collaboration with E. I. du Pont de Nemours & Co., U.S.

1981–2000

In 1985, the name of the company was changed from Reliance Textiles Industries Ltd. to Reliance Industries Ltd. During the years 1985 to 1992, the company expanded its installed capacity for producing polyester yarn by over 1, 45,000 tonnes per annum.

Reliance's backward integration journey continues. The Hazira plant coming on stream in 1991 laid the foundation for Reliance becoming the world's largest integrated producer of polyester.

In 1993, Reliance turned to the overseas capital markets for funds through a global depository issue of Reliance Petroleum. In 1996, it became the first private sector company in India to be rated by international credit rating agencies. S&P rated Reliance "BB+, stable outlook, constrained by the sovereign ceiling". Moody's rated "Baa3, Investment grade, constrained by the sovereign ceiling".

In 1995/96, the company entered the telecom industry through a joint venture with NYNEX, USA and promoted Reliance Telecom Private Limited in India.

In 1998/99, RIL introduced packaged LPG in 15 kg cylinders under the brand name Reliance Gas.

The years 1998–2000 saw the construction of the integrated petrochemical complex at Jamnagar in Gujarat, the largest refinery in the world.

In 2000, Reliance commissions the world's largest grassroots refinery in a record 36 months: the Jamnagar petrochemicals and integrated refinery complex. With the development of the associated green belt, the desert surrounding Jamnagar becomes home to another man-made wonder – Asia's largest mango orchard!

2001 onwards

In 2001, Reliance Industries Ltd. and Reliance Petroleum Ltd. became India's two largest companies in terms of all major financial parameters. In 2001–02, Reliance Petroleum was merged with Reliance Industries.

In 2002, Reliance announced India's biggest gas discovery (at the Krishna Godavari basin) in nearly three decades and one of the largest gas discoveries in the world during 2002. The in-place volume of natural gas was in excess of 7 trillion cubic feet, equivalent to about 120 crore (1.2 billion) barrels of crude oil. This was the first ever discovery by an Indian private sector company. Also, Reliance enters the Infocomm business and brings about a revolution in mobile telephony in India. In 2005, Reliance makes a strategic decision to reorganise its businesses through a demerger. Power generation and distribution, financial services and telecommunication services are demerged into separate entities.

In 2002–03, RIL purchased a majority stake in Indian Petrochemicals Corporation Ltd. (IPCL), India's second largest petrochemicals company, from the government of India, RIL took over IPCL's Vadodara Plants and renamed it as Vadodara Manufacturing Division (VMD). IPCL's Nagothane and Dahej manufacturing complexes came under RIL when IPCL was merged with RIL in 2008.

In 2004, Reliance emerges as the first and only private Indian organisation to be listed in the Fortune Global 500 list. Reliance is also the first private sector company to be rated by international credit rating agencies - including Moody's, Standard and Poor's.

In 2005 and 2006, the company reorganized its business by demerging its investments in power generation and distribution, financial services and telecommunication services into four separate entities.

In 2006, Reliance entered the organised retail market in India with the launch of its retail store format under the brand name of 'Reliance Fresh'. By the end of 2008, Reliance retail had close to 600 stores across 57 cities in India. Reliance Retail becomes the largest retailer by revenue in 2014, fulfilling the aspirations of millions across the country and bringing international

experiences at affordable prices to every corner of India. Reliance Jio Infocomm Ltd., later ushers in a pan-India digital revolution through state-of-the-art wireless broadband 4G services, promising to bridge the digital divide

In November 2009, Reliance Industries issued 1:1 bonus shares to its shareholders. Also in 2009, Reliance commences production of hydrocarbons in its KGD6 block - against all odds - in just over two years of its discovery, making it the world's fastest green-field deep water oil development project. With this development, Reliance completes an unprecedented backward integration journey.

In 2010, Reliance entered the broadband services market with acquisition of Infotel Broadband Services Limited, which was the only successful bidder for pan-India fourth-generation (4G) spectrum auction held by the government of India.

In the same year, Reliance and BP announced a partnership in the oil and gas business. BP took a 30 per cent stake in 23 oil and gas production sharing contracts that Reliance operates in India, including the KG-D6 block for \$7.2 billion. Reliance also formed a 50:50 joint venture with BP for sourcing and marketing of gas in India.

In 2017, RIL set up a joint venture with Russian Company Sibur for setting up a Butyl rubber plant in Jamnagar, Gujarat, to be operational by 2018.

In 2019, Reliance becomes the first Indian company to cross ₹10 trillion market capitalisation. Chairman and Managing Director Mr. Mukesh Ambani says, "In just four decades, Reliance has grown from a small startup to one of the largest, most admired companies in the world." In 2020, Reliance ranks as the 48th highest valued company in the world. In August 2019, Reliance added Fynd primarily for its consumer businesses and mobile phone services in the e-commerce space.

Nature Of Reliance Industries:

Duties and Responsibilities:

At Reliance Industries Limited (RIL), sustainability is viewed as environmental and social responsibility, which allows the Company to deliver on stakeholder expectations. RIL continues to communicate the Company's obligations and performance to all its stakeholders through its Business Responsibility Report (BRR).

As a responsible corporate citizen, RIL continues to actively engage with all its stakeholders to drive their growth for all. The Company believes in accelerating India's transition to a knowledge economy and continues its efforts to create value for India by elevating the quality of life across the entire socio-economic spectrum.

Manufacturing Excellence

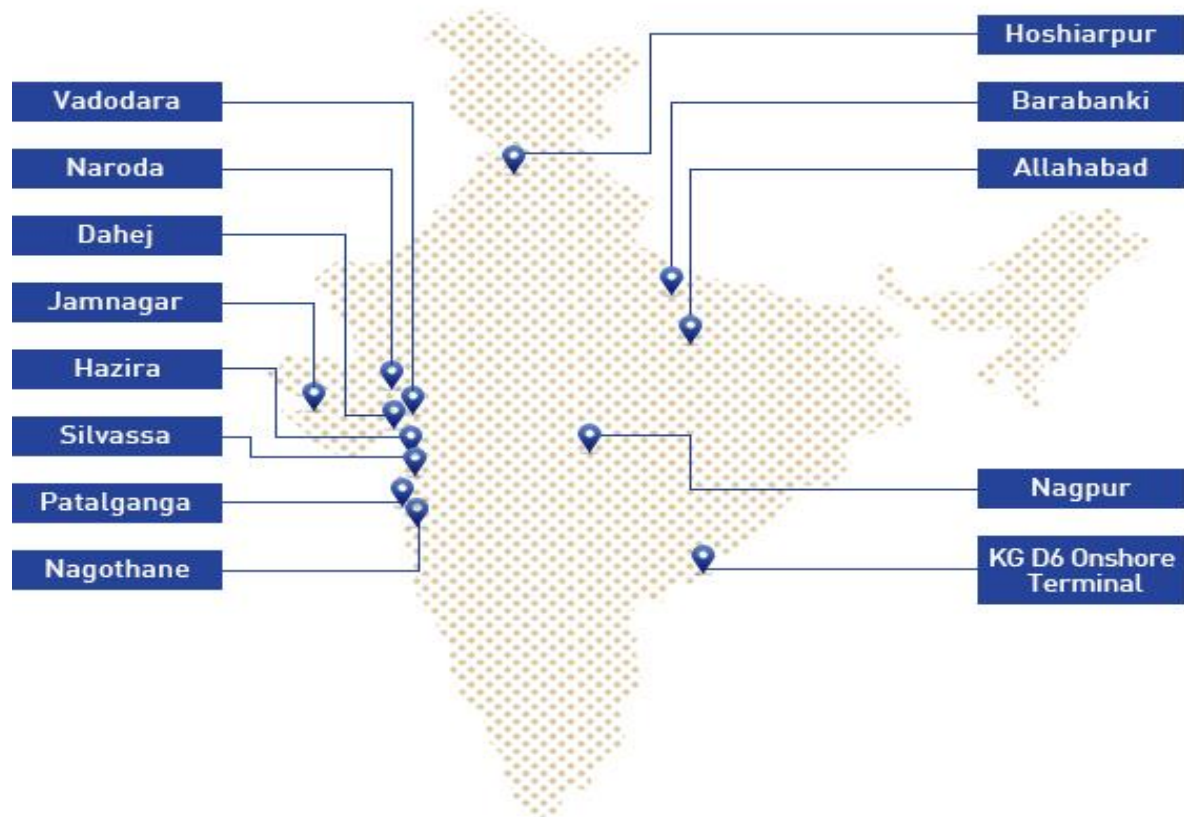
At Reliance, manufacturing is a passion. This passion has driven us to set up world-class manufacturing facilities with extreme operational efficiencies in record times. Over the years, we have earned an enviable reputation for flawless project execution and management.

Reliance has set one more benchmark in the industry with commissioning of ROGC (Refinery Off Gas Cracker). Integration of Petrochemical and Refinery is unique feat designed to maximise value addition. This highly complex project was both an engineering and execution challenge and has been started in flawless manner in record time. We have also improved our competitiveness and feed flexibility by building a complete supply chain network for Ethane import for our Hazira, Dahej and Nagothane sites and debottlenecked the three Cracker plants to handle Ethane as feeds.

This adds to our past achievements in all projects at Jamnagar Manufacturing Division (JMD). Reliance projects are of titanic proportions and required millions of engineering man-hours spread over many international engineering offices; thousands of tonnes in equipment and material procured from suppliers across the globe; highly advanced, mammoth construction equipment; a workforce of over 75,000 working round the clock for months; and a great number of innovative techniques in project execution. The result: JMD was established in a record time of less than three years! This has been our way of life, from our mega plant in Patalganga to Hazira and other locations.

Manufacturing divisions of Reliance not only create thousands of jobs for skilled workforce, but also train unskilled workers, helping create a strong talent pool. Every product we create with the 'Made in India' tag is a source of great honour and pride.

Locations



Audit Committee

Composition

- Yogendra P Trivedi (Chairman)
- Raghunath A. Mashelkar
- Adil Zainulbhai
- Raminder Singh Gujral
- K. V. Chowdary

Objective

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the

statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies.

Corporate Social Responsibility and Governance Committee

Composition

- Yogendra P Trivedi (Chairman)
- Nikhil R. Meswani
- Raghunath A. Mashelkar
- Shumeet Banerji

The terms of reference of the Committee, inter alia, include the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Approve Corporate Sustainability Reports and oversee the implementation of sustainability activities;
- Monitor Company's compliance with the Corporate Governance Guidelines and applicable laws and regulations and make recommendations to the Board on all such matters and on any corrective action to be taken, as the Committee may deem appropriate;

Finance Committee

Composition

- Mukesh D. Ambani (Chairman)
- Nikhil R. Meswani
- Hital R. Meswani

-
- Review the Company's financial policies, risk assessment and minimisation procedures, strategies and capital structure, working capital and cash flow management, and make such reports and recommendations to the Board with respect thereto, as it may deem advisable;
 - Review banking arrangements and cash management; Exercise all powers to borrow money (otherwise than by issue of debentures) within limits approved by the Board, and take

necessary actions connected therewith, including refinancing for optimisation of borrowing costs;

Human Resources, Nomination and Remuneration Committee

Composition

- Adil Zainulbhai (Chairman)
- Yogendra P. Trivedi
- Raghunath A. Mashelkar
- Shumeet Banerji
- Raminder Singh Gujral
- K. V. Chowdary

-
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
 - Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
 - Devise a policy on Board diversity;
 - Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;

Stakeholders Relationship Committee

Composition

- Yogendra P. Trivedi (Chairman)
- Nikhil R. Meswani
- Hital R. Meswani
- Arundhati Bhattacharya
- K. V. Chowdary

-
- Oversee and review all matters connected with transfer of Company's securities;

- Approve issue of duplicate shares / debentures certificates;
- Oversee the performance of the Company's Registrars and Transfer Agents;
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading;

Risk Management Committee

Composition

- Adil Zainulbhai (Chairman)
 - Hital R. Meswani
 - P.M.S. Prasad
 - Shumeet Banerji
 - K. V. Chowdary
 - Alok Agarwal - Chief Financial Officer
 - Srikanth Venkatachari - Joint Chief Financial Officer
-

- Frame Risk Management Plan and Policy;
- Oversee implementation / Monitoring of Risk Management Plan and Policy;
- Validate the process of Risk Management;
- Validate the procedure for Risk Minimisation;
- Periodically review and evaluate the Risk Management Policy and Practices with respect to risk assessment and risk management processes;
- Continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed;

VISION:

Vision of the company is revised every time/ keeps changing, as the company's founder late Dhirubhai H. Ambani said "Growth has no limits at Reliance. I keep revising my vision. Only when you can dream it, you can do it." So vision of the company is consistently revised and is aimed for higher and higher goals to be achieved by the company.

- To build a global enterprise for all our stakeholders, and

- A great future for our country,
- To give millions of young Indians the power to shape their destiny,
- The means to realize their full potential...

MISSION:

We will continue to invest in our people, the most up-to-date processes and enhance our production capabilities to add real value for our customers. We will never compromise environmental protection and we strive to provide a genuine one-stop service for our customers with a focus on continual cost reduction and improvement. Establishment of systems of learning for creation of employees with efficient knowledge in mainly cost effective approach. Employees in turn will reduce operational cost along with maintaining quality, consistency, safety and security and other policies of the company.

MILESTONES OF THE COMPANY:

The share price of Reliance Industries has leapfrogged into a new territory. The stock hit an all-time high of ₹1,788.96 amidst copious fund-raising and on the positive outlook, especially due to Jio. During the course of attaining the peak, the Mukesh Ambani-controlled Reliance Industries has achieved several milestones.

Reliance has become the first company to surpass the ₹11-lakh-crore market capitalisation mark. At ₹11.2-lakh crore, the RIL stock now leads TCS by a wide margin of ₹3.45-lakh crore.

However, the bigger achievement is becoming net debt-free, given the current volatile situation. For the first time in nearly two decades, the company has become net debt-free. Even as Mukesh Ambani promised to make the company net debt-free by March 2021, the task has been achieved much earlier, at a time when the entire world is talking of gloom and doom, and several organisations shut due to killer Covid-19 pandemic virus.

Saudi Arabia-based wealth fund Public Investment Fund is the eleventh to join the host of investors who have picked up equity stakes in Jio Platforms. Within nine weeks, the company has raised a whopping ₹1.15-lakh crore from investors such as Facebook, Silver Lake Partners, Vista Equity Partners, General Atlantic, KKR, Mubadala, Abu Dhabi Investment Authority and L Catterton.

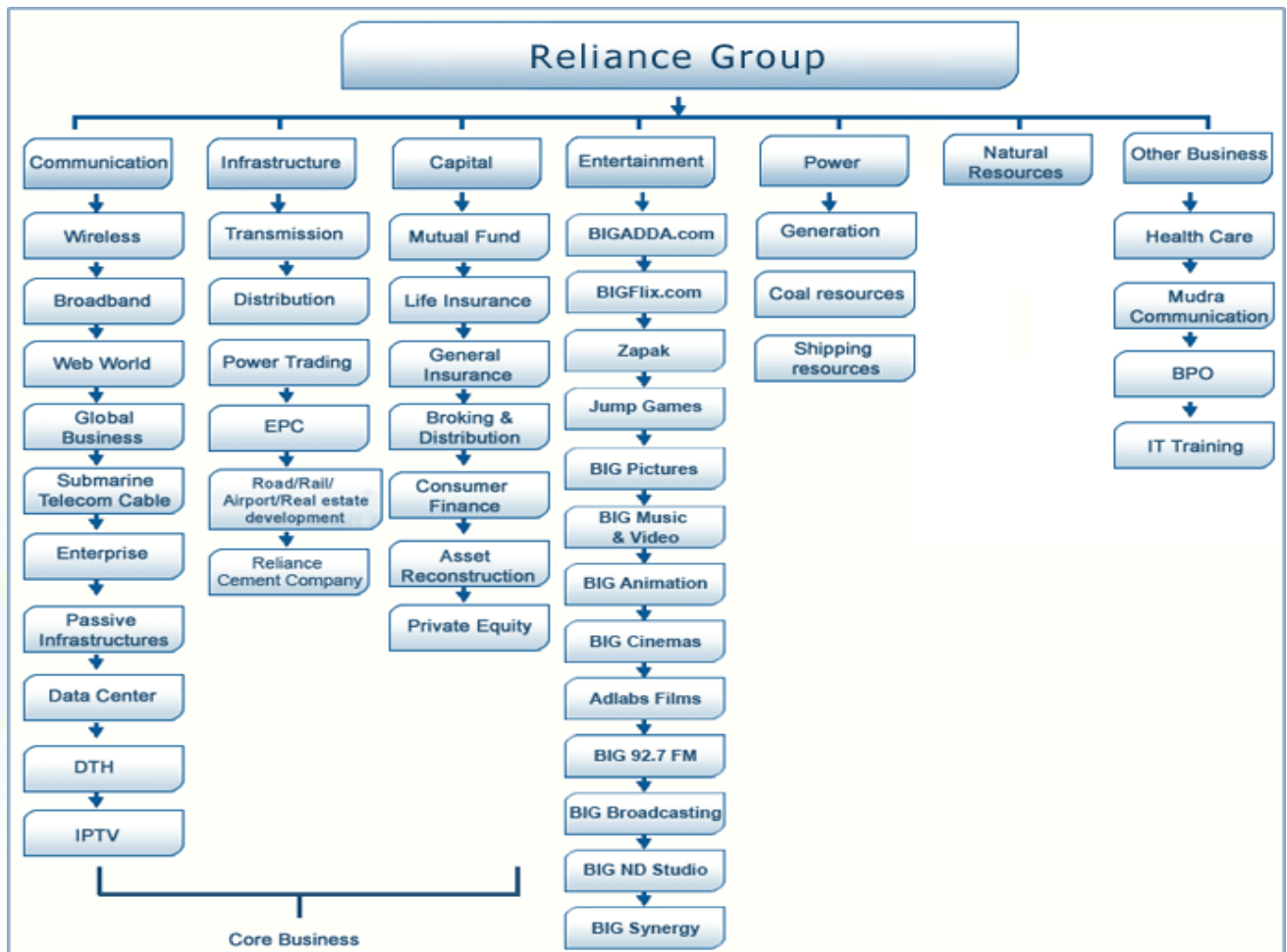
Besides, the oil-to-telecom conglomerate company had successfully completed the biggest ever rights issue by any Indian company by raising ₹53,125 crore from the existing shareholders. The issue, which was priced at ₹1,257 each, came with an entitlement ratio of 1:15 (one equity share issued for every 15 shares held).

The promoter family’s stake in Reliance Industries hit a 12-year high of 49.14 per cent, thanks to the mega rights issue.

Reliance Industries is now “in its golden decade,” said Mukesh Ambani. “I have fulfilled my promise to the shareholders by making Reliance net debt-free much before our original schedule of March 31, 2021,”

COMPANY STRUCTURE:





PRODUCT PROFILE:

Major Subdivision's:

Operations form the incore

Petrochemicals,

Refining,

Oil and gas

Other divisors

Cloth,

Retail business, Aerospace divisions

Special economic zone (SEZ) development.

➤ Reliance Industries offer around 100+ products and services under different divisions.

Textile

➤ Reliance's Manufacturing Division at Naroda, Ahmedabad is one of the largest and most modern textile complexes in the world an achievement recognised by The World Bank.

- The Company's flagship brand **VIMAL** is one of the most trusted brands of premium textiles in the country. Through Vimal, they brought in a new era in fabrics. It is also the first major retail chain in the country.
- Under Brand **VIMAL** they provide Suitings, Shirtings, Readymade Garments, Ready-to-stitch take away fabric.

Petroleum Refining and Marketing

- RIL has 1.24 million barrels per day (MBPD) of crude processing capacity, the largest at any single location in the world.
- The demand for petroleum products in India increased from 130.5 MMT to 134.4 MMT, reflecting a growth of 2.9% in FY-11.
- List of products offered and their consumption in India.

Petrochemicals

- Domestic Leadership in Petrochemicals.
- World's Largest Producer of Polyester Fibre and Yarn.
- Fifth largest producer of Polypropylene (PP) and Paraxylene(PX) in the world.
- Eighth largest producer of PTA.
- India's largest and world's eighth largest producer of MEG.
- India's largest manufacturer of Synthetic Rubber.

Under petrochemicals they produce:

- Polymers
- Polyester
- Polyester Intermediates
- Other Petrochemicals

Types of Petrochemicals

- Polymers

Reliance offer a wide range of grades for diverse applications across sectors such as packaging, agriculture, automotive, housing, healthcare, water and gas transportation, and consumer durables. Products are also exported to more than 60 countries. Driving our growth is the

Polymer Research and Technology Centre (PRTC), which addresses the diverse needs of our customers and facilitates value-added performance.

➤ Polyesters

Reliance is the largest producer of polyester fibre and yarn in the world, with a capacity of 2.5 million tonnes per annum. Having invested significant amounts on R&D in the polyester sector, our Reliance Technology Centre, Reliance Testing Centre and Reliance Fibre Application Centre constantly develop and introduce innovative products for the textile industry.

➤ Elastomers

Reliance produces synthetic rubber under the brand names Relflex and Reliance Sibur Elastomers Pvt Ltd. Our elastomers are used across a variety of applications, including tyres, footwear, sports goods, rollers and mechanical fenders etc.

International ventures in E&P

- RIL has 13 blocks in its international conventional portfolio. 2 in Peru, 3 in Yemen (1 producing and 2 exploratory), 2 each in Oman, Kurdistan and Colombia, 1 each in East Timor and Australia; amounting to a total acreage of over 99,145 sq.km.
- Reliance acquired a 40% interest in Atlas' core Marcellus shale acreage position, through its subsidiary, Reliance Marcellus LLC.
- RIL, through its subsidiary, Reliance Eagle ford Upstream LP, acquired a 45% interest in Pioneer's core Eagle Ford shale acreage position.
- On February 21, 2011, RIL and BP announced a strategic partnership BP taking a 30% stake in 23 oil and gas production sharing contracts that Reliance operates in India, including the producing KG-D6 block.

Jio

Home to the world's second largest population of 1.2 billion, India is a young nation with 63% of its population under the age of 35 years. It has a fast growing digital audience with 800 million mobile connections and over 200 million internet users. Reliance thoroughly believes in India's potential to lead the world with its capabilities in innovation. Towards that end, Reliance envisages of a digital revolution in India.

Reliance Retail

Reliance Retail has grown to cater to millions of customers, and thousands of farmers and vendors. Reliance Retail serves over 2.5 million customers every week, and its loyalty programme, Reliance One, has the patronage of more than 6.75 million customers. There are various Subsidiaries & division under Reliance Retail. Reliance Retail has achieved the distinction of being the largest retailer in the country with core format sectors attaining market leadership in their respective categories

- Reliance Fresh - Retail Outlets of fruits, Vegetables & Groceries.
- Reliance Digital - Consumer Electronics retail Store
- Reliance Jewels - Jewelry
- Reliance Time Out - Lifestyle store of Books, Music, Movies, Toys, Gaming, Fragrances, and Stationery.
- Reliance Trends- Apparel and Clothing

OWNERSHIP PATTERN:

Shareholding Pattern - Reliance Industries Ltd.

Holder's Name	No of Shares	% Share Holding
NoOfShares	6761844754	100%
Promoters	3323114981	49.15%
ForeignInstitutions	1630743380	24.12%
NBanksMutualFunds	358841607	5.31%
CentralGovt	13533596	0.2%
Others	168513936	2.49%
GeneralPublic	563716006	8.34%
FinancialInstitutions	539401608	7.98%
GDR	163979640	2.43%

ACHIEVEMENTS/AWARDS RECEIVED BY RELIANCE:

- 1977: Mr Ambani discovers the stock markets and millions of small shareholders discover Reliance. Reliance Industries launches its initial public offering on the Bombay Stock Exchange with unprecedented success—the issue is oversubscribed seven times and India discovers a new business ownership model
- 1982: The group is hungry for more success now, and Reliance begins backward integration. Elder son Mukesh is entrusted with the task and begins by overseeing the first phase of a polyester filament yarn in Patalganga, Maharashtra. Younger son Anil joins the business in 1983.
- 1985: Reliance Industries' assets cross the Rs 1,000 crore mark, and three years later, its sales hit the mark at Rs 1,788 crore.
- 1993: In a first, Reliance taps the overseas capital markets for funds through a global depositary issue of Reliance Petroleum.
- 1996: Reliance becomes the first private sector company to be rated by international credit rating agencies. S&P rates BB+, stable outlook, constrained by the Sovereign Ceiling. Moody's rated Baa3, investment grade. Net profit crosses Rs 1,000 crore (Rs 1,065 crore or \$338 million).
- 2001: Reliance Industries and Reliance Petroleum become India's largest companies
- Allahabad Manufacturing Division received a rating of 90% for its environmental initiatives from British Safety Council in 2010.
- Mr Mukesh Ambani was conferred the Outstanding Business Leader of the Year Award by CNBC TV18(2007).
- Mr. Mukesh Ambani, Chairman & Managing Director, RIL, has been nominated to a 'key advocacy group of Millennium Development Goals', whose mandate includes finding ways to fight socio-economic evils such as poverty, by the United Nations in 2010.
- RIL is ranked 68th in 2010, in the Financial Times' FT Global 500 list of the world's largest companies (up from previous year's 75th rank).
- RIL is rated as the 33rd 'Most Innovative Company in the World' in a survey conducted by the US financial publication- Business Week in 2010.
- Reliance Footprint received the Retailer of the Year Award in the Non Apparel and Footwear category at Asia Retail Congress2010.

- Reliance TimeOut received the Retailer of the Year Award in the Leisure Category at Asia Retail Congress 2010.
- Vision Express was bestowed the 'Award 2010' for its contribution by the Netherlands India Chamber of Commerce and Trade in 2010.
- Hazira Manufacturing Division won the “Golden Peacock Global Award for Corporate Social Responsibility” - 2008.
- Dahej Manufacturing Division bagged the 'Most Efficient Unit Award 2008' for efficiency in water management at the site from CII.
- Shri Mukesh D. Ambani won the ET Business Leader award for Corporate Excellence in 2017.
- Shri Mukesh D. Ambani ranked among Fortune magazine's 50 Greatest Leaders of 2018.
- Shri Mukesh D. Ambani is the only Indian business leader to be ranked among the World's 75 Most Powerful People by Forbes magazine.
- Reliance Digital was awarded ‘Consumer Durables Retailer of the Year’ at Star Retailer Awards.
- Reliance Jio ranked 17th in the American business magazine Fast Company's 50 Most Innovative Companies list in 2018
- Won ‘Global Game-Changer Award’ in the seventh edition of the Marico Innovation Foundation Awards 2018.
- First petrochemical complex in India to achieve CII ‘GreenCo Gold’ certification.
- Globally certified as a ‘Healthy Workplace’ by Global Centre for Healthy Workplaces, Tucson, USA.
- Received the Drivers of Change award at the FT ArcelorMittal Boldness in Business Awards.
- Won the best Sustainable Corporate of the year 2018 at the Sustainability 4.0 awards by Frost and Sullivan and TERI

- WBCSD's Reporting Matters recognised RIL's Sustainability Report as a leading example in the aspect of "Reliability"
- Since its inception, the Reliance Foundation has achieved several prestigious awards for positively impacting the lives of millions. Won the 'Golden Peacock 2017 Award' for CSR

MAJOR CONTROVERSY

- **2006:** The split is formalized. Mukesh gets Reliance Industries and IPCL. Younger brother Anil gets telecom, power, entertainment and financial services. The Anil Dhirubhai Ambani Group includes Reliance Communications, Reliance Infrastructure, Reliance Capital, Reliance Natural Resources and Reliance Power. That very year, Reliance Industries becomes India's first private sector enterprise to cross \$2 billion profit mark. It forays into the retail sector.

BUSINESS PLAN PROJECTIONS

‘Golden decade next’, Mukesh Ambani’s 10-year plan for Reliance Industries. Mukesh Ambani, India’s richest man, said that Reliance Industries Ltd (RIL) aims to double sales in about seven years, even as the company explores ways to boost profitability of its mainstay refinery and chemicals businesses. Ambani, however, does not plan to rely solely on refinery and petrochemicals, and is placing outsized bets on new consumer businesses to drive growth. RIL has invested about ₹ 2.5 trillion in telecom unit Reliance Jio Infocomm Ltd, through which Ambani wants to venture into e-commerce, healthcare, education and agriculture in the next two years. “As India starts on its high-growth journey to double the size of its economy by 2025, I assure you that the size of Reliance will more than double in the same period,” Ambani told shareholders at the company’s 41st annual general meeting (AGM) in Mumbai.

RIL currently derives 80% of its sales from refining and petrochemicals. This however, is undergoing a change as the company focuses on consumer-facing businesses. RIL saw operating profit from its consumer businesses rise to 13% of the total in the year ended 31 March from 2% in the previous year. RIL’s consolidated revenue from operations was at ₹ 4.08 trillion last fiscal and net profit at ₹ 36,080 crore.

On the consumer side, Ambani’s immediate bet is on optical fibre-based fixed-line broadband which, he claimed, offers hundreds of megabits per second of data speeds and will allow RIL to offer smart home solutions.

On the consumer side, the company's immediate focus is on optical fibre-based fixed-line broadband-In the coming months, Jio will extend fibre connectivity to homes, small businesses, traders and small businesses. Leveraging on its advanced fibre bandwidth network, Jio will be offering this service in over 1,100 cities and towns across India. For homes, this could mean ultra HD entertainment, multi-party video conferencing, digital shopping, security cameras, home appliances, voice-activated virtual assistants, lights and switches.

Over the past 40 years, RIL has periodically transformed its core business through backward integration. First it was textiles, then it was polyester, followed by chemicals and then refining. In the past few years, a major lateral shift has happened, with the focus on telecom, data, broadband and retail.

"It is our belief that the rapidly increasing demand for petrochemicals maximizing oil-to-chemicals conversion will play a catalytic role in determining profitability of hydrocarbons businesses of the future,"

"As the world migrates from fossil fuels to renewable energy, we will further maximize this oil-to-chemicals conversion and upgrade all our fuels to high-value petrochemicals," he said, adding this upgradation will happen in a phased manner over the next decade.

Still, there are some concerns about the company's growing debt (about ₹ 1.41 trillion) on account of Jio.

"Generating reasonable returns (say a 10% post-tax return on capital employed) off a balance sheet of R-Jio's size (current levels) needs the company to generate an Ebitda (we compute it to be \$8 billion) that is higher than the peak historical annual Ebitda ever generated by the aggregate Indian telecom industry, including the home broadband and enterprise data players, per our math,"

CHAPTER - 3

MCKINSEY'S 7'S MODEL

MCKINSEY'S 7'S MODEL:

1. STRATEGY:

Reliance believes in sustainable development. It has made this as their cornerstone of their business strategy to achieve sustainable and profitable growth. Following issues form a corner-stone of the Reliance strategy:

- Energy Security
- Growth through Innovation
- Health & Safety
- Environment
- Product Responsibility
- Social Institution Building

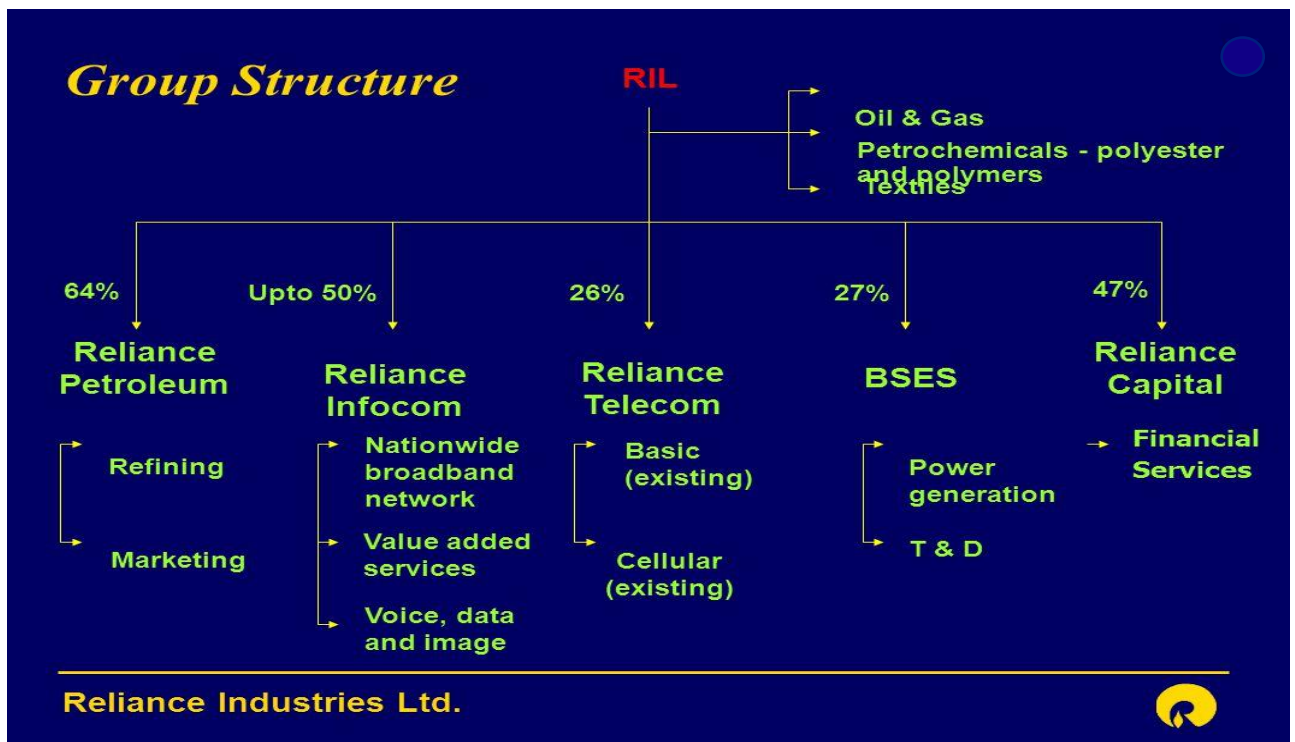
2. STRUCTURE:

The Board has established the following Committees to assist the Board in discharging its responsibilities:

- Audit Committee
- Remuneration Committee
- Shareholders'/Investors' Grievance Committee
- Finance Committee
- Health, Safety and Environment Committee
- Corporate Governance and Stakeholders' Interface Committee
- Employees Stock Compensation Committee

The Board has adopted charters setting forth the roles and responsibilities of each of the above Committees as well as qualifications for Committee membership, procedures for Committee members' appointment and removal, Committee structure and operations and

reporting to the Board. The Board may constitute new Committees or dissolve any existing Committee, as it deems necessary for the discharge of its responsibilities.



3. SYSTEMS:

- Growth opportunities to expand leadership capabilities.
- True meritocracy and freedom to choose career paths.
- Opportunities to develop and hone leadership and functional capabilities.
- An entrepreneurial environment where people can pursue their dreams.
- Competitive compensation.
- In addition, we follow a well-defined Rewards & Recognitions programme that periodically identifies exceptional individual and team achievers among the various business functions and verticals in the Group.

4. STYLE:

- **"Winning is more rewarding when you play by the rules"**. We always put our employees first. Our pride lies in building a company around the idea that work should be challenging and challenge should be fun. The idea being, organizing world's information and make it both useful and universally acceptable by one and all.

- Accomplishment of this feat, will be done only with people having great aspirations. Reliance Big Entertainment offers you the most inspiring work environments on the planet to work with smart people and amazing technology.
- A platform to connect with millions of people. We invite you to join and become a part of our organization – one whose forte is its ethics and values which are in turn reflected in its actions and people practices.

5. STAFF:

There strong team of professionals is among the youngest in the country, and consists of some of the most dynamic, motivated and qualified individuals to be found anywhere in the world. First-rate management graduates, highly trained engineers, top-notch financial analysts and razor sharp accountants— we have on our rolls some of the brightest minds in the business.

6. SKILL:

- Committed to excellence in quality.
- Focused on creation and enhancement of stakeholder value.
- Responsive to evolving business needs and challenges.
- Dedicated to uphold the core values of the Group.
- It is this skill and initiative of our work force that sets us apart from our peers in today’s knowledge-driven economy.

7. SHARED VALUES:

- **Shareholder Interest:**

They value the trust of shareholders, and keep their interests paramount in every business decision they make, every choice they exercise

- **People Care:**

They possess no greater asset than the quality of our human capital and no greater priority than the retention, growth and well-being of our vast pool of human talent

- **Consumer Focus :**

They rethink every business process, product and service from the standpoint of the consumer –so as to exceed expectations at every touchpoint

- **Excellence in Execution:**

They believe in excellence of execution—in large, complex projects as much as small everyday tasks. If something is worth doing, it is worth doing well.

- **Team Work:**

The whole is greater than the sum of its parts; in our rapidly-changing knowledge economy, organizations can prosper only by mobilizing diverse competencies, skill sets and expertise; by imbibing the spirit of “thinking together”—integration is the rule, escalation is an exception.

- **Proactive Innovation :**

We nurture innovation by breaking silos, encouraging cross-fertilization of ideas & flexibility of roles and functions. We create an environment of accountability, ownership and problem-solving –based on participative work ethic and leading-edge research

- **Leadership by Empowerment :**

We believe leadership in the new economy is about consensus building, about giving up control; about enabling and empowering people down the line to take decisions in their areas of operation and competence...

- **Social Responsibility :**

We believe that organizations, like individuals, depend on the support of the community for their survival and sustenance, and must repay this generosity in the best way they can

- **Respect for Competition :**

We respect competition – because there’s more than one way of doing things right. We can learn as much from the success of others as from our own failures

CHAPTER - 4

SWOT ANALYSIS

SWOT ANALYSIS:

Strength: Strong market position in various categories: RIL is the first Indian private sector company to feature into the Fortune Global 500. With leading market position in many of its businesses, Reliance is a business giant in India with strong positions in Textile, energy, Retail etc. Reliance has also entered Telecom industry in India with Jio and is sweeping the market.

Brand Name and financial position allow RIL to expand: Reliance is a strong brand name and capital position which allows it to expand its businesses and also venture into newer businesses.

The operational advantage in refining: RIL has the world's largest oil refinery in Jamnagar and is one of the world's largest private owned refining companies. With the use of latest technology, Reliance's refinery in Jamnagar is operationally efficient which gives great benefits for Reliance as it gets higher yields.

Expansion in the retail industry: Reliance Retail (RRL) is expanding throughout the country with putting emphasis on backwards integration. With great improvements in the value chain from procurement from farmers to selling to customers, Reliance has increased its revenues substantially and was the largest Indian retailer in FY 2015.

Reliance Jio: Reliance Jio has set the telecom industry by a storm. Reliance has laid out a superlative infrastructure for 4G wireless services throughout the nation which has provided it with the immense competitive advantage. Jio has also helped Reliance enhance its brand image and become a mass popular brand.

Weakness: Production declining in exploratory blocks: RIL's gas production from two of its major plants, KG-D6 project and Tapti Fields is decreasing due to various natural and operational challenges. A decrease in production affects supply and operational margins.

Recent divesting and relinquishing activities affects growth: RIL recently divested in some of its production sharing contracts in Dubai, Yemen etc. This affects global expansion plans for RIL.

Legal proceedings and litigations: RIL has been subjected to various legal proceedings and litigations in the past. Recently, RIL has had to pay a hefty penalty amount to the government. Such instances impact the reputation of the company.

Opportunities: New Plants: RIL has commissioned a few new plants recently, for instance, PET resin plant and Purified Terephthalic Acid (PTA) plant at Dahej, Gujarat. Expanding its operations facilities will further increase production and strengthen RIL's position in the market.

Investing in attractive international oil and gas destinations: In 2015, RIL won the bid for Myanmar Offshore block with 96% interest. **CBM as unconventional natural gas:** CBM is a natural gas extracted from coal beds. RIL has two CBM blocks under it and is set to utilise CBM as the unconventional natural gas resource.

New offers in Reliance Jio: Mukesh Ambani's pet project Reliance Jio has already become one of the nation's largest telecom networks.

Threat: Intense competition in all sectors: RIL faces strong competition from various state-owned companies in the Oil, Petroleum and Gas industries. IOC, HPCL and BPC are state owned companies which are its biggest competitors.

In Retail, RIL faces stiff competition from the Future group, D-Mart etc. Such competition limits market share. **In telecom,** Jio is up against the giants of the industry like Vodafone, Airtel and Idea. These companies are looking for a chance to regain customers lost to Jio.

Reliance Jio free offers ending: Reliance Jio has provided the customers with free data and calling offers in its introductory package and has extended the offers a few times. Now, these offers are about to end very soon. This will test the retaining capacity of Reliance Jio.

CHAPTER – 5

Porter's Five Forces Analysis

Porter's Five Forces Analysis:

The threat of the entry of new competitors:

Threats of new entrants for reliance industries is low as the corporation is a big giant of India, and it is hard to compete with it for the newcomer. It requires huge capital and numerous marketing strategies to build a good customer base for the new entrant. However, the reliance industries should work more on building huge customer base of loyal customers and work on customer relationship management. This will increase the switching cost psychologically. The corporation should also develop the long-term contracts with the distributors for broadening the access of target market

The threat of substitute products or services:

Threats from the substitute products for the Reliance industries is moderate however on the individual basis it will be different, because there are many substitutes available for the textile, telecommunication, etc. It is necessary for the reliance industries to increase the switching cost of the products so that customers will not switch to the alternatives. Moreover, consumers must not derive the same utility in terms of quality and prices from the substitute products as per reliance industries products. The corporation should reduce the threats from substitutes by offering more differentiated products and increase the switching costs (Henry, 2018)

The bargaining power of customers (buyers):

The bargaining power of buyers in case of reliance industries is moderate on aggregate level, but it's different in individual basis. For example, bargaining power of buyer is high in telecommunication industry of reliance, because of multiple options available, and so in the textile industry. However, on the aggregate level it is gaining cost advantage and have control on prices, because of the largest corporation of India, and this means more customers than rivals. It is necessary for the corporation to decrease the bargaining power of buyers on segment basis and increase the customer base.

The bargaining power of suppliers:

The suppliers of the Reliance industry are many as compared to buyers. For example, in the telecommunication industries, there are Samsung, LG, etc. who are providing the services also, which lowers the price control of Reliance in telecommunication industry. However, in case of not achieving the cost advantage, Reliance industries supply chain is very efficient and can switch the suppliers. Reliance industries has to work on the supplier contractual relationship, to achieve benefits and economies of scales.

The intensity of competitive rivalry within the Industry:

Rivals do exist in the industry of textile, materials, telecommunication etc. and hence Reliance industries compete with them at individual basis. It is important for the corporation on implicit needs and the customers' expectations for strengthening the differentiation. It is necessary for the corporation to increase the switching cost to develop good customer relationship. The corporation must spend more in R&D to open new doors for the company and look more for mergers and acquisition to reduce the competition in the industry.

CHAPTER – 6

ANALYSIS OF FINANCIAL

STATEMENTS

Financial Statement Analysis:

Reliance Industries

Consolidated Balance Sheet		----- in Rs. Cr. -----				
	Mar '20	Mar '19	Mar '18	Mar '17	Mar '16	
	12 mths	12 mths	12 mths	12 mths	12 mths	
Sources Of Funds						
Total Share Capital	6,339.00	5,926.00	5,922.00	2,959.00	2,948.00	
Equity Share Capital	6,339.00	5,926.00	5,922.00	2,959.00	2,948.00	
Share Application Money	0.00	0.00	15.00	4.00	8.00	
Reserves	446,992.00	381,186.00	287,569.00	259,876.00	227,765.00	
Networth	453,331.00	387,112.00	293,506.00	262,839.00	230,721.00	
Secured Loans	44,078.00	35,791.00	17,269.00	28,730.00	15,345.00	
Unsecured Loans	247,339.00	236,151.00	164,335.00	154,946.00	149,847.00	
Total Debt	291,417.00	271,942.00	181,604.00	183,676.00	165,192.00	
Minority Interest	8,016.00	8,280.00	3,539.00	2,917.00	3,356.00	
Total Liabilities	752,764.00	667,334.00	478,649.00	449,432.00	399,269.00	
	Mar '20	Mar '19	Mar '18	Mar '17	Mar '16	
	12 mths	12 mths	12 mths	12 mths	12 mths	
Application Of Funds						
Gross Block	682,765.00	534,640.00	527,517.00	310,870.00	288,364.00	
Less: Revaluation Reserves	0.00	0.00	0.00	870.00	835.00	
Less: Accum. Depreciation	150,107.00	136,266.00	123,632.00	112,344.00	103,454.00	
Net Block	532,658.00	398,374.00	403,885.00	197,656.00	184,075.00	
Capital Work in Progress	109,106.00	179,463.00	187,022.00	324,837.00	228,697.00	
Investments	276,767.00	235,635.00	82,862.00	82,899.00	84,015.00	
Inventories	73,903.00	67,561.00	60,837.00	48,951.00	46,486.00	
Sundry Debtors	19,656.00	30,089.00	17,555.00	8,177.00	4,465.00	
Cash and Bank Balance	30,920.00	11,081.00	4,255.00	3,023.00	11,869.00	
Total Current Assets	124,479.00	108,731.00	82,647.00	60,151.00	62,820.00	
Loans and Advances	122,905.00	80,203.00	59,932.00	45,926.00	38,555.00	
Total CA, Loans & Advances	247,384.00	188,934.00	142,579.00	106,077.00	101,375.00	
Current Liabilities	409,471.00	330,890.00	333,561.00	257,915.00	195,887.00	
Provisions	3,680.00	4,182.00	4,138.00	4,122.00	3,006.00	
Total CL & Provisions	413,151.00	335,072.00	337,699.00	262,037.00	198,893.00	
Net Current Assets	-165,767.00	-146,138.00	-195,120.00	-155,960.00	-97,518.00	
Total Assets	752,764.00	667,334.00	478,649.00	449,432.00	399,269.00	
Contingent Liabilities	54,891.00	50,904.00	60,997.00	76,941.00	71,110.00	
Book Value (Rs)	715.12	653.26	495.61	888.28	782.60	

Reliance Industries

Consolidated Profit & Loss account

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

	Mar '20	Mar '19	Mar '18	Mar '17	Mar '16
	12 mths	12 mths	12 mths	12 mths	12 mths
Income					
Sales Turnover	659,205.00	625,212.00	430,731.00	330,180.00	293,298.00
Excise Duty	62,462.00	56,003.00	39,054.00	24,798.00	0.00
Net Sales	596,743.00	569,209.00	391,677.00	305,382.00	293,298.00
Other Income	9,512.00	8,386.00	9,949.00	9,443.00	12,053.00
Stock Adjustments	5,048.00	4,680.00	8,610.00	5,218.00	-2,560.00
Total Income	611,303.00	582,275.00	410,236.00	320,043.00	302,791.00
Expenditure					
Raw Materials	415,968.00	405,986.00	281,928.00	223,076.00	191,503.00
Power & Fuel Cost	15,098.00	17,029.00	14,569.00	11,251.00	10,741.00
Employee Cost	14,075.00	12,488.00	9,523.00	8,388.00	7,407.00
Other Manufacturing Expenses	3,377.00	4,512.00	0.00	0.00	2,489.00
Miscellaneous Expenses	65,056.00	49,707.00	30,091.00	21,691.00	17,595.00
Total Expenses	513,574.00	489,722.00	336,111.00	264,406.00	229,735.00
	Mar '20	Mar '19	Mar '18	Mar '17	Mar '16
	12 mths	12 mths	12 mths	12 mths	12 mths
Operating Profit	88,217.00	84,167.00	64,176.00	46,194.00	61,003.00
PBDIT	97,729.00	92,553.00	74,125.00	55,637.00	73,056.00
Interest	22,027.00	16,495.00	8,052.00	3,849.00	3,691.00
PBDT	75,702.00	76,058.00	66,073.00	51,788.00	69,365.00
Depreciation	22,203.00	20,934.00	16,706.00	11,646.00	11,565.00
Profit Before Tax	53,499.00	55,124.00	49,367.00	40,142.00	57,800.00
PBT (Post Extra-ord Items)	53,499.00	55,124.00	49,367.00	40,142.00	57,800.00
Tax	13,726.00	15,390.00	13,346.00	10,201.00	8,876.00
Reported Net Profit	39,247.00	39,485.00	36,016.00	30,009.00	29,625.00
Share Of P/L Of Associates	-107.00	-103.00	-59.00	108.00	-236.00
Net P/L After Minority Interest & Share Of Associates	44,324.00	39,837.00	36,080.00	29,833.00	49,160.00
Total Value Addition	97,606.00	83,736.00	54,183.00	41,330.00	38,232.00
Equity Dividend	3,852.00	3,554.00	3,255.00	0.00	6,039.00
Corporate Dividend Tax	732.00	728.00	661.00	0.00	1,220.00
Per share data (annualised)					
Shares in issue (lakhs)	63,392.68	59,258.69	59,218.26	29,589.24	29,480.22
Earning Per Share (Rs)	61.91	66.63	60.82	101.42	100.49
Book Value (Rs)	715.12	653.26	495.61	888.28	782.60

Reliance Industries

Consolidated Key Financial Ratios

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

	Mar '20	Mar '19	Mar '18	Mar '17	Mar '16
Investment Valuation Ratios					
Face Value	10.00	10.00	10.00	10.00	10.00
Dividend Per Share	--	--	--	--	--
Operating Profit Per Share (Rs)	139.16	142.03	108.37	156.12	206.93
Net Operating Profit Per Share (Rs)	941.34	960.55	661.41	1,032.07	994.90
Free Reserves Per Share (Rs)	--	--	--	--	--
Bonus in Equity Capital	81.85	87.56	87.62	71.25	71.52
Profitability Ratios					
Operating Profit Margin(%)	14.78	14.78	16.38	15.12	20.79
Profit Before Interest And Tax Margin(%)	10.80	10.94	11.81	10.97	16.19
Gross Profit Margin(%)	11.06	11.10	12.11	11.31	16.85
Cash Profit Margin(%)	10.87	10.50	13.12	13.20	19.80
Adjusted Cash Margin(%)	10.87	10.50	13.12	13.20	19.80
Net Profit Margin(%)	6.59	6.95	9.21	9.79	10.14
Adjusted Net Profit Margin(%)	6.44	6.85	8.98	9.49	9.77
Return On Capital Employed(%)	10.73	10.86	12.08	9.85	15.53
Return On Net Worth(%)	8.68	10.22	12.29	11.37	12.94
Adjusted Return on Net Worth(%)	9.75	10.26	12.27	11.39	21.20
Return on Assets Excluding Revaluations	727.76	667.23	501.59	898.14	793.99
Return on Assets Including Revaluations	727.76	667.23	501.59	901.08	796.82
Return on Long Term Funds(%)	12.28	12.04	13.11	10.60	16.51
Liquidity And Solvency Ratios					
Current Ratio	0.46	0.46	0.38	0.35	0.45
Quick Ratio	0.41	0.35	0.23	0.20	0.28
Debt Equity Ratio	0.64	0.70	0.62	0.70	0.72
Long Term Debt Equity Ratio	0.44	0.54	0.49	0.58	0.61
Debt Coverage Ratios					
Interest Cover	3.63	4.34	7.13	11.43	16.66
Total Debt to Owners Fund	0.64	0.70	0.62	0.70	0.72
Financial Charges Coverage Ratio	4.64	5.61	9.21	14.45	19.79
Financial Charges Coverage Ratio Post Tax	3.79	4.67	7.56	11.79	12.19
Management Efficiency Ratios					
Inventory Turnover Ratio	8.92	9.25	7.08	6.75	6.31
Debtors Turnover Ratio	23.99	23.89	30.44	48.31	59.98
Investments Turnover Ratio	0.80	0.86	7.08	6.75	6.31
Fixed Assets Turnover Ratio	1.02	1.30	0.89	1.08	1.12
Total Assets Turnover Ratio	0.91	1.00	1.00	0.72	0.79
Asset Turnover Ratio	0.84	0.99	0.84	0.72	0.76
Average Raw Material Holding	--	--	--	--	--

Average Finished Goods Held	--	--	--	--	--
Number of Days In Working Capital	-129.76	-109.24	-205.42	-204.91	-141.29
Profit & Loss Account Ratios					
Material Cost Composition	69.70	71.32	71.97	73.04	65.29
Imported Composition of Raw Materials Consumed	--	--	--	--	--
Selling Distribution Cost Composition	--	--	--	--	--
Expenses as Composition of Total Sales	--	--	--	--	--
Cash Flow Indicator Ratios					
Dividend Payout Ratio Net Profit	11.64	10.81	10.85	--	24.40
Dividend Payout Ratio Cash Profit	7.44	7.07	7.41	--	17.57
Earning Retention Ratio	89.64	89.23	89.13	100.00	85.17
Cash Earning Retention Ratio	93.10	92.95	92.58	100.00	88.00
AdjustedCash Flow Times	4.39	4.48	3.44	4.42	2.73

Reliance Industries

Consolidated Cash Flow	----- in Rs. Cr. -----				
	Mar '20	Mar '19	Mar '18	Mar '17	Mar '16
	12 mths	12 mths	12 mths	12 mths	12 mths
Net Profit Before Tax	53606.00	55227.00	49426.00	40034.00	38737.00
Net Cash From Operating Activities	98074.00	42346.00	71459.00	49550.00	38134.00
Net Cash (used in)/from Investing Activities	-75717.00	-95128.00	-68290.00	-66292.00	-36190.00
Net Cash (used in)/from Financing Activities	-2541.00	55906.00	-2001.00	8617.00	-3210.00
Net (decrease)/increase In Cash and Cash Equivalents	19816.00	3124.00	1168.00	-8125.00	-1266.00
Opening Cash & Cash Equivalents	11104.00	7957.00	3087.00	11114.00	12289.00
Closing Cash & Cash Equivalents	30920.00	11081.00	4255.00	2989.00	11023.00

Calculation and Interpretation of Ratios

1] Current Ratio:

Formula:

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

YEAR	March 2020	March 2019	March 2018	March 2017	March 2016
Current assets	2,47,384.00	1,88,934.00	1,42,579.00	1,06,077.00	1,01,375.00
Current liabilities	413,151.00	335,072.00	337,699.00	262,037.00	198,893.00
Current ratio	0.46	0.46	0.38	0.35	0.45

2] Liquid Ratio: Quick assets - Inventories

Liquid ratio = _____

Quick liabilities

YEAR	March 2020	March 2019	March 2018	March 2017	March 2016
Quick assets	1,73,481.00	1,21,373.00	81,742.00	1,06,077.00	1,01,375.00
Quick liabilities	413,151.00	335,072.00	337,699.00	262,037.00	198,893.00
Quick Ratio	0.41	0.35	0.23	0.20	0.28

3] Stock Working Capital Ratio:

Formula: Stock

Stock working capital ratio = _____

Working Capital

YEAR	March 2020	March 2019	March 2018	March 2017	March 2016
Stock	73,903.00	67,561.00	60,837.00	48,951.00	46,486.00
Working Capital	413,151.00	335,072.00	337,699.00	262,037.00	198,893.00
Stock working capital ratio	0.60	0.56	0.42	0.40	0.51

4] Capital Gearing Ratio:

Formula: Preference capital+ secured loan

Capital gearing ratio = _____

Equity capital & reserve & surplus

YEAR	March 2020	March 2019	March 2018	March 2017	March 2016
Secured loan	44,078.00	35,791.00	17,269.00	28,730.00	15,345.00
Equity capital & reserves & surplus	453,331.00	387,112.00	293,506.00	262,839.00	230,721.00
Capital gearing ratio	9.7 %	9.2%	5.8%	11%	6.65%

5] Debt Equity Ratio:

Formula:
$$\frac{\text{Total long term debt}}{\text{Total shareholders fund}}$$

Debt equity ratio = _____

Total shareholders fund

YEAR	March 2020	March 2019	March 2018	March 2017	March 2016
Total long term debt	291,417.00	271,942.00	181,604.00	183,676.00	165,192.00
Total shareholders fund	453,331.00	387,112.00	293,506.00	262,839.00	230,721.00
Debt equity ratio	0.64	0.70	0.62	0.70	0.72

6] Operating Ratio:

Formula:
$$\frac{\text{COGS+ operating expenses}}{\text{Net sales}} * 100$$

Operating ratio = _____ * 100

Net sales

YEAR	March 2020	March 2019	March 2018	March 2017	March 2016
COGS+ operating expenses	513,574.00	489,722.00	336,111.00	264,406.00	229,735.00
Net sales	5,96,743.00	5,69,209.00	3,91,677.00	305,382.00	293,298.00
Operating ratio	86%	82%	115%	87%	78.3%

7] Net Profit Ratio:

NPAT

Formula:
$$\frac{\text{Net profit ratio}}{\text{Net sales}} * 100$$

Net sales

YEAR	March 2020	March 2019	March 2018	March 2017	March 2016
NPAT	53,499.00	55,124.00	49,367.00	40,142.00	57,800.00
Net sales	5,96,743.00	5,69,209.00	3,91,677.00	3,05,382.00	293,298.00
Net profit ratio	8.96%	9.23%	17%	13.14%	19.7%

8] Operating Profit Ratio:

Formula:

Operating profit

$$\text{Operating profit ratio} = \frac{\text{Operating profit}}{\text{Net sales}} * 100$$

Net sales

YEAR	March 2020	March 2019	March 2018	March 2017	March 2016
Operating profit	88,212.00	84,167.00	64,176.00	46,194.00	61,003.00
Net sales	5,96,743.00	5,69,209.00	3,91,677.00	305,382.00	293,298.00
Operating profit ratio	14.78%	14.78%	16.38%	15.12%	20.79%

Interpretation: Current Ratio In Reliance Industries Ltd. the current ratio is 0.60:1 in 2020. It means that for one rupee of current liabilities, the current assets are 1.23 rupee is available to them. In other words the current assets are 0.60 times the current liabilities.

The **liquid ratio** of the Reliance Industries Ltd. has increased from 0.35 to 0.41 in 2019- 2020 which shows that company follow low liquidity position to achieve high profitability.

Stock Working Capital ratio shows that extend of funds blocked in stock. The amount of stock is decreasing from the year 2016-2019. However in the year 2019-2020 it has increased a little. It shows that the solvency position of the company is sound.

Capital gearing ratio Gearing means the process of increasing the equity shareholders return through the use of debt. For the last 2 years [i.e.2016 TO 2017] Capital gearing ratio is all most same which indicates, near about 8.5% of the fund covering the secured loan position. But in the year 2019-2020 the Capital-gearing ratio is 9.2% - 9.7%. It means that during company has borrowed more secured loans for the company's expansion.

Debt Equity Ratio is important tool of financial analysis to appraise the financial structure of the company. The rate of debt equity ratio is reduced from 0.72 to 0.64 during the year 2016 to 2020. This shows that with the decrease in debt.

Operating Ratio of the company has decreased in 3 year and increase a little in last year. This is due to increase in the cost of goods sold, which in 2016 was 78.3 in 2020 is 86%.

Net Profit Ratio The net profit ratio of the company is high in all year but the net profit is decreasing from this ratio of 5 year it has been observe that the from 2016-2017 to 2018-2019 the net profit is increased and it decreased in the year 2020.

Operating Profit Ratio The operating profit ratio of 14.78% indicates that average operating margin of Rs.15 is earned on sale of Rs. 100. This amount of Rs. 15 is available for meeting non-operating expenses. In the other words operating profit ratio 14.78 means that 14.78% of net sales remains as operating profit after meeting all operating expenses.

COMPETITOR ANALYSIS:

Marketing strategy: The industry has a very good marketing strategy to compete in the market and to maintain their top position in the market. They have about 7100 retail sales outlet all over India and 1000 direct sales agents. In order to give a better service and to ensure customer satisfaction they have trained 4800 well experienced customer care executive over different zones of their network. They have an innovative pricing to drive penetration to the market. They have a trend of giving pricing offers and promotion in their products. Comparing to the other major petroleum companies in India reliance has always a variation in their price and also they have tried their best to keep the quality of their products. They have modern technologies at their outlets to give a good experience for their customers. They always try to have a minimum logistics cost to gain competitive edge. All these factors help in them achieving their goals and maintain their market status.

Competitors in market:

The below table shows how Reliance industries Limited is different from other competitors in market in terms of financial parameters. (Values stated in the table is in Indian rupees crore)

Market capital Sales turnover

Net profit Total asset Reliance	IOC	BPCL	Essar Oil	HPCL	MRPL	Chennai Petro
353,982.69	103,940.65	26,012.96	20,444.04	16,933.06	14,511.52	3,719.06
192,461.00	269,136.03	135,331.48	37,652.00	124,752.42	32,287.94	24,927.26
16,236.00	10,22.55	735.90	514.00	574.98	1,112.38	603.22
199,665.3	95,119.08	35,281.91	15,027.38	32,860.34	7,292.97	7,539.97

Discussion

From the above competitors table we can see that reliance industries have been compared with the other major six companies in India. From the table is clear that in all the areas like market capital, sales turnover, net profit and also total asset, reliance have a very high position with a remarkable difference in their respective values. While we analyze the competition we can determine that the company possess a dominancy over the market. It is very difficult for the competitors to come over the reliance position. Considering the fact that the company profit is from the market it is important for reliance to maintain this status with more marketing strategies.

CHAPTER – 7
LEARNING EXPERIENCE

LEARNING EXPERIENCE:

Reliance Industries Limited is an Indian multinational conglomerate company headquartered in Mumbai, Maharashtra, India. After writing this report I have understood how reliance industries have come up in such a highly competitive market like in India and also they were able to establish their name in international market also. From this report we can see that the company is not just focusing on one industry whereas it have many subsidiaries and associates which helping them to be stable when the economy is down.

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WEEKLY PROGRESS REPORT

Student Name	Mr. Joshua A
USN	ICR19MBA34
Title of the Study	An Organisation Study on RELIANCE INDUSTRIES LIMITED
Organization	RELIANCE INDUSTRIES LIMITED
WEEK-1	
Duration (Start date - End date)	6.8.2020 - 12.8.2020
Chapter s covered	Chapter 1 and Chapter 2
Descriptions of activities performed during the week	Introduction to organization, Industry profile and company profile
WEEK-2	
Duration (Start date - End date)	13.8.2020 - 18.8.2020
Chapter s covered	Chapter 3
Descriptions of activities performed during the week	McKensy's 7S framework, Porter's Five Force Model.
WEEK-3	
Duration (Start date - End date)	19.8.2020 - 26.8.2020
Chapter s covered	Chapter 4 and Chapter 5
Descriptions of activities performed during the week	SWOT Analysis and analysis of financial statements
WEEK-4	
Duration (Start date - End date)	27.8.2020 - 30.8.2020
Chapter s covered	Chapter 6
Descriptions of activities performed during the week	Learning experience and Bibliography



Signature of the Guide



Signature of the Student