



A Study On Financial Analysis of Reliance Industries Pvt, Ltd. Hyderabad

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Abstract – Financial analysis plays a vital role in evaluating the performance, stability, and growth prospects of a company. This study focuses on the financial analysis of Reliance Industries Pvt. Ltd., Hyderabad, with the objective of assessing its financial health using key analytical tools and techniques. The study is based on secondary data collected from annual reports, financial statements, and other reliable financial sources over a specified period. The analysis includes various financial tools such as ratio analysis, trend analysis, and comparative analysis to evaluate profitability, liquidity, solvency, and operational efficiency. Key financial ratios like current ratio, debt-equity ratio, return on capital employed, and net profit margin are used to interpret the company's performance. Trend analysis helps in understanding the growth pattern of revenue, expenses, and profit over the years. The findings of the study indicate that Reliance Industries has shown strong financial performance with consistent growth in revenue and profitability, supported by efficient resource utilization and diversified business operations. However, certain fluctuations in liquidity and leverage position highlight areas that require strategic attention. The study concludes that financial analysis is an essential tool for decision-making and helps stakeholders such as investors, management, and creditors in evaluating the company's financial strength and future potential. The research also provides valuable insights for improving financial planning and management practices.

Keywords – Financial Analysis, Ratio Analysis, Trend Analysis, Profitability, Liquidity, Reliance Industries, Financial Performance.

I. INTRODUCTION

Financial analysis is a crucial aspect of business management that helps in evaluating the financial performance, stability, and growth potential of an organization. It involves the systematic examination of financial statements such as the balance sheet, income statement, and cash flow statement to assess the efficiency and effectiveness of financial operations. In today's competitive business environment, financial analysis plays a significant role in decision-making for investors, management, creditors.

Reliance Industries Limited (RIL), founded by Dhirubhai Ambani, has emerged as a global leader with diversified business interests spanning oil and gas, petrochemicals, refining, telecommunications, retail, and digital services. Over the years, the company has significantly transformed its business model by expanding into consumer-oriented sectors such as retail and telecom through its subsidiary Jio. The company's strong financial performance, continuous innovation, and strategic investments have contributed to its dominant position in the Indian economy.

This study focuses on the financial analysis of Reliance Industries Pvt. Ltd., Hyderabad, one of India's leading conglomerates with diversified operations in sectors such as petrochemicals, refining, oil & gas, retail, and telecommunications. Reliance Industries is known for its strong market presence, innovation-driven growth, and consistent financial performance. Analyzing its financial position provides valuable insights into how large-scale organizations manage resources, control costs, and achieve profitability.

Overview of Equity Investments:

The primary purpose of this study is to evaluate the financial health of the company using various analytical tools and techniques. Financial analysis includes ratio analysis, trend analysis, and comparative analysis, which help in understanding the company's liquidity position, profitability, solvency, and operational efficiency. Ratio analysis involves the calculation of financial ratios such as current ratio, debt-equity ratio, net profit ratio, and return on investment to measure performance. Trend analysis examines the changes in financial data over a period of time to identify patterns and growth trends.

- **Oil-to-Chemicals (O2C) & Energy:** The core of Reliance's traditional business encompasses petroleum refining, petrochemicals, and oil and gas exploration. It operates some of the world's largest refining complexes (including the Jamnagar refinery in Gujarat).
- **Reliance Retail:** As India's largest retailer, it operates a massive, integrated omni-channel ecosystem. It covers everything from daily essentials and electronics to luxury goods and fashion.
- **Reliance Jio Info comm:** The group's telecommunications and digital services arm revolutionized data access in India. It provides 5G connectivity, digital applications, and cloud services to hundreds of millions of subscribers.
- **Media & Entertainment:** Spans broadcasting, digital media, and news, running a comprehensive content-creation and distribution portfolio.
- **Financial Services:** Comprises non-banking financial services and insurance broking.
- **Green Energy & Advanced Materials:** Heavily investing in solar energy, advanced energy storage, and



green hydrogen to position itself as a global leader in sustainable energy markets:

OBJECTIVES OF THE STUDY

1. To analyze the financial performance of Reliance Industries Pvt. Ltd.
2. To evaluate the profitability position of the company.
3. To study the liquidity and solvency position using financial ratios.
4. To examine the trend of financial performance over a period of time.
5. To provide suggestions for improving financial efficiency.
6. To assess the solvency position and long-term financial stability of the company.

II. SCOPE OF THE STUDY

The scope of the study is limited to the financial analysis of Reliance Industries Pvt. Ltd., Hyderabad, based on available secondary data. The study mainly focuses on analyzing the financial statements such as balance sheet, profit and loss account, and cash flow statements of the company.

The analysis includes the use of financial tools such as ratio analysis, trend analysis, and comparative analysis to evaluate different aspects of financial performance. It covers key financial indicators such as profitability, liquidity, and solvency, which are essential for understanding the overall financial health of the company.

The study is confined to a specific period, typically covering the last five financial years, to identify patterns and trends. It does not include primary data collection or external market factors affecting the company. Despite these limitations, the study provides valuable insights into the financial functioning and performance of the organization.

III. REVIEWS OF LITERATURE

1. Al-Malkawi, Bhatti, and Magableh (2020) studied the relationship between ownership structure and firm performance in Jordanian listed firms. Their work showed that financial performance is not determined only by accounting ratios, but also by governance and ownership patterns. This is relevant to Reliance Industries because company performance can be better understood when financial indicators are read along with strategic control and management structure.

2. Nduka and Anyanwu (2020) examined the financial ratio analysis of manufacturing firms in Nigeria. The study found that liquidity, profitability, and leverage ratios remain strong indicators of operational soundness and managerial efficiency. Their conclusion supports the use of ratio analysis as a practical tool for evaluating the financial strength of large industrial firms like Reliance Industries.

3. Ming-Chang and Nadarajah (2020) focused on financial ratios and corporate bankruptcy prediction. Their research highlighted that ratios drawn from profitability, liquidity, and solvency statements are highly useful in identifying early warning signs of financial distress. This literature is important because it shows that financial analysis is not only descriptive but also predictive in nature.

4. Yildiz and Bozkurt (2020) analyzed financial ratios in the automotive industry in Turkey. They demonstrated that ratio-based financial analysis is effective in comparing companies within the same industry and identifying variations in efficiency and profitability. Their findings strengthen the idea that sector-wise comparison is valuable while assessing a diversified enterprise such as Reliance Industries.

5. Altman, Iwanicz-Drozdowska, Laitinen, and Suvas (2020) revisited the Z-score model in an international context. Their analysis confirmed that financial ratios remain highly relevant in predicting financial distress even in modern markets. This study provides theoretical support for using solvency and leverage measures in financial analysis projects.

6. Obradović and Đurić (2021) conducted a comparative financial ratio analysis of construction companies in Serbia. They found that ratio analysis helped identify firm-level differences in working capital management, asset efficiency, and earnings performance.

STATEMENT OF THE PROBLEM

Financial analysis plays a crucial role in evaluating the financial performance, stability, and growth potential of an organization. In today's competitive business environment, it is essential for companies to maintain strong financial health to achieve sustainable growth and maximize shareholder value. Reliance Industries Limited is one of India's largest and most diversified companies, operating across sectors such as petrochemicals, oil and gas, retail, and telecommunications. Due to its extensive operations and significant contribution to the economy, analyzing its financial performance becomes important for understanding its profitability, liquidity, solvency, and operational efficiency. Therefore, this study seeks to examine and evaluate the financial position of Reliance Industries through the analysis of its financial statements and key financial ratios. The study aims to identify the strengths and weaknesses in the company's financial performance and provide insights that may assist investors, management, and other stakeholders in making informed financial decisions.

IV. RESEARCH METHODOLOGY

Data Collection Methodology

The research methodology adopted for this study is analytical and descriptive in nature. It involves the systematic collection, classification, and analysis of



financial data related to Reliance Industries Pvt. Ltd., Hyderabad.

1. Primary Data Collection

There is no primary data is taken because all the data was taken from the official websites which is also known as secondary data. This data can be used by secondary data collectors who are searching for the better information about the company.

2. Secondary Data Collection

In addition to the primary data, secondary data was gathered from various sources. These sources provided supporting information and helped contextualize the findings from the primary data, offering a balanced view on the topic.

- Annual reports of the company
- Official company website
- Financial journals and publications
- Online financial databases

Sampling Methodology

The collected data is organized into tables and charts for better understanding. Financial ratios are calculated and interpreted to assess the company's performance. Graphical representations such as bar charts and pie charts are used to present the data clearly.

- Sample Size: 40 Respondents
- Sampling Technique: Reliance Super Markets

This approach ensured that data was collected efficiently while maintaining relevance to the research objectives.

LIMITATIONS OF THE STUDY

1. The study is based only on secondary data, which may have inherent limitations.
2. The analysis is limited to a specific period and may not reflect current conditions.
3. Financial statements may not reveal qualitative factors affecting performance.
4. The findings of the study may not be applicable to other companies or industries.
5. The study does not consider external economic or market conditions.
6. Accuracy of the study depends on the reliability of available data.

V. DATA ANALYSIS AND INTERPRETATIONS

Table showing classification of Reliance Industries Pvt. Ltd. recent 5 years analysis (FY 2020-21 to FY 2024-25)

Introduction

This chapter analyses the financial performance of Reliance Industries Limited for the five most recent completed financial years, from FY 2020-21 to FY 2024-25. The analysis follows the methodology stated earlier in the report and applies trend analysis, comparative analysis, liquidity analysis, solvency analysis, and profitability analysis. All figures are presented in ₹ crore and are based on official

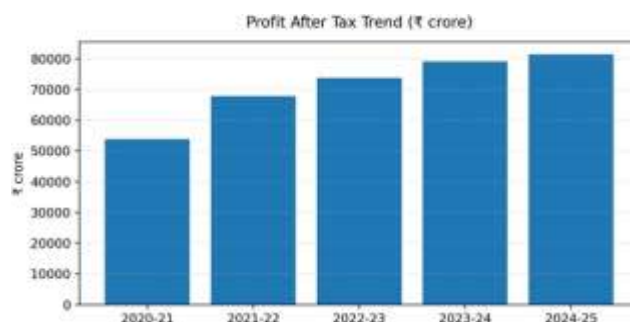
Financial Year	Gross Revenue	PAT	Total Assets	Current Assets	Current Liabilities	Total Liabilities
2020-21	539,238	53,739	1,321,212	373,011	277,568	521,780
2021-22	792,756	67,845	1,499,665	347,019	308,662	610,681
2022-23	974,864	73,670	1,607,431	425,296	395,743	778,550
2023-24	1,000,122	79,020	1,755,986	470,100	397,367	830,198
2024-25	1,071,174	81,309	1,950,121	499,270	453,737	940,495

Interpretation:

The financial snapshot shows that Reliance Industries maintained a strong expansion profile during the study period. Gross revenue increased from ₹5,39,238 crore in FY 2020-21 to ₹10,71,174 crore in FY 2024-25, while total assets rose from ₹13,21,212 crore to ₹19,50,121 crore. Profit after tax also improved over the period, though the pace of profit growth moderated after FY 2022-23. The balance sheet expanded steadily, indicating continued investment in retail, digital services, O2C, and new-energy.

Trend Analysis

Financial Year	Gross Revenue (₹ crore)	PAT (₹ crore)	Total Assets (₹ crore)
2020-21	539,238	53,739	1,321,212
2021-22	792,756	67,845	1,499,665
2022-23	974,864	73,670	1,607,431
2023-24	1,000,122	79,020	1,755,986
2024-25	1,071,174	81,309	1,950,121



Interpretation

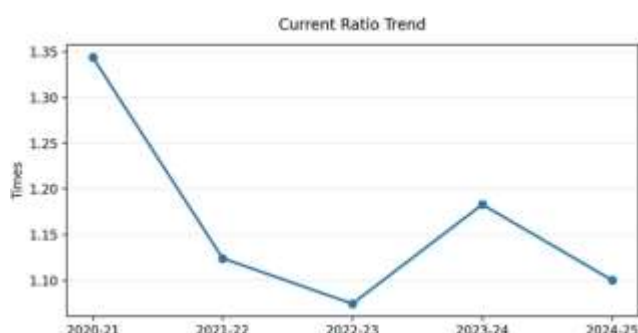
Trend analysis indicates a clear long-term upward movement in revenue, profit and asset base. Revenue accelerated sharply in FY 2021-22 and FY 2022-23, reflecting recovery in energy markets and continued growth in telecom and retail operations. PAT increased from ₹53,739 crore in FY 2020-21 to ₹81,309 crore in FY 2024-25, confirming sustained earnings strength. Total assets expanded every year, which shows that the company continued to invest aggressively in growth platforms while preserving overall financial stability.



Liquidity Analysis

Financial Year	Current Assets	Current Liabilities	Current Ratio (times)
2020-21	373,011	277,568	1.34
2021-22	347,019	308,662	1.12
2022-23	425,296	395,743	1.07
2023-24	470,100	397,367	1.18
2024-25	499,270	453,737	1.10

Chart showing the reliance industries profit and losses of the financial years.



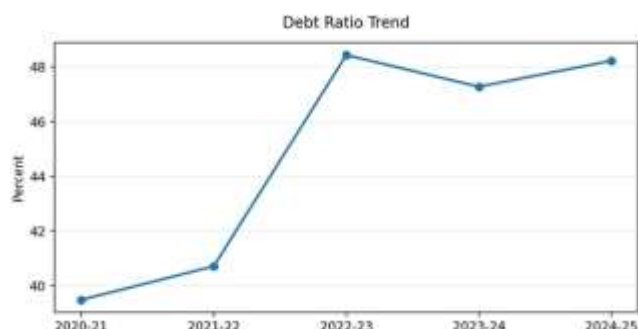
Interpretation

The current ratio remained above 1.00 throughout the period, indicating that current assets were adequate to cover current liabilities. The ratio was strongest in FY 2020-21 at 1.34, moderated to 1.07 in FY 2022-23, improved again to 1.18 in FY 2023-24, and settled at 1.10 in FY 2024-25. This pattern shows that liquidity stayed generally comfortable, although the margin of short Term coverage narrowed compared with FY 2020-21. Overall, Reliance remained capable of meeting short-term obligations without major stress.

Solvency Analysis

Financial Year	Total Liabilities	Total Equity	Debt Ratio (%)	Assets-to Liabilities (times)
2020-21	521,780	799,432	39.49	2.53
2021-22	610,681	888,984	40.72	2.46
2022-23	778,550	828,881	48.43	2.06
2023-24	830,198	925,788	47.28	2.12
2024-25	940,495	1,009,626	48.23	2.07

Chart showing classification of debt ratio trends in the financial years of the company



Interpretation:

Solvency analysis reveals that the company maintained a reasonably balanced capital structure during the study period. The debt ratio was 39.49% in FY 2020-21, moved above 48% in FY 2022-23, eased to 47.28% in FY 2023-24, and stood at 48.23% in FY 2024-25.

This suggests that liabilities financed slightly less than half of the asset base in the later years. Even with rising liabilities, the company's large and growing asset base and strong earnings profile indicate manageable long-term solvency.

Profitability Analysis

Financial Year	PAT (₹ crore)	Net Profit Margin (%)	Return on Assets (%)	Revenue to Assets (times)
2020-21	53,739	9.97	4.07	0.41
2021-22	67,845	8.56	4.81	0.53
2022-23	73,670	7.56	4.74	0.61
2023-24	79,020	7.90	4.70	0.57
2024-25	81,309	7.59	4.39	0.55

Chart showing classification of net profit margin trend of financial years from 2020-25



Interpretation:

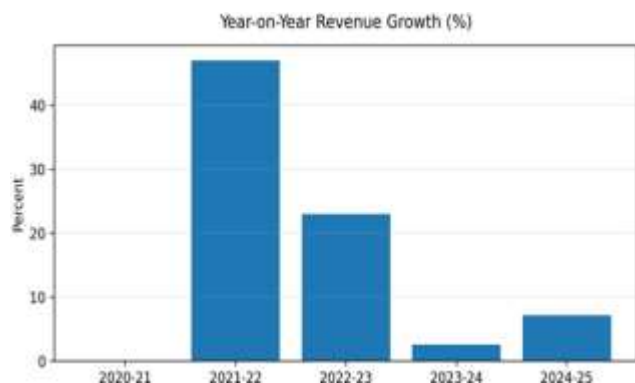
Profitability remained healthy, although margins compressed compared with FY 2020-21. Net profit margin was 9.97% in FY 2020-21, declined to 7.56% in FY 2022-23, recovered slightly to 7.90% in FY 2023-24, and stood at 7.59% in FY 2024-25. Return on assets stayed in the range of around 4% to 5%, showing stable earnings generation on a very large asset base. These figures indicate that Reliance was profitable in every year of the study, but margin expansion was constrained by scale, investment intensity, and business mix changes.

Comparative and Percentage Analysis

Financial Year	Revenue Growth (%)	PAT Growth (%)	Asset Growth (%)
2020-21	—	—	—
2021-22	47.01	26.25	13.51
2022-23	22.97	8.59	7.19
2023-24	2.59	7.26	9.24
2024-25	7.10	2.90	11.06



Chart showing classification of year-on-year revenue growth of the reliance industries Pvt, Ltd.



Interpretation:

Percentage analysis highlights a very high recovery year in FY 2021-22, when revenue grew by 47.01% and PAT by 26.25%. Growth normalized thereafter, but remained positive in all subsequent years. FY 2024-25 recorded 7.10% revenue growth, 2.90% PAT growth, and 11.06% asset growth. This indicates that the company continued expanding its balance sheet faster than profits in the latest year, which is common when large capital expenditure programs are underway in digital infrastructure, retail scale-up, and new energy projects.

Overall Interpretation

- Reliance Industries showed strong long-term revenue growth over the five-year period.
- Profit after tax increased steadily, though profit growth moderated in the last two years.
- Liquidity remained satisfactory as the current ratio stayed above 1.00 in all years.
- The asset base expanded continuously, reflecting sustained investment and business diversification.
- Solvency remained manageable even as total liabilities increased alongside expansion.
- Profitability stayed healthy, but net profit margin declined from FY 2020-21 levels.

Source Note

Prepared from official Reliance Industries financial reporting and integrated annual reports for FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24, and FY 2024-25. The chapter uses consolidated figures for revenue, PAT, assets and liabilities to maintain consistency across the five-year comparison.

Findings Of The Study

- The study reveals that Reliance Industries has shown consistent growth in revenue over the last five years, indicating strong market demand and expansion strategies.
- The debt-equity ratio indicates a balanced capital structure, though there is a moderate level of debt financing.

- from the above graph, the revenue growth and asset growth decreased instantly.
- From the year 2021-22 revenue growth is higher when it compared to other years from the table.
- The net profit margin has improved, reflecting better profitability and cost control mechanisms.
- The company has maintained strong cash flow from operating activities, ensuring smooth business operations.
- The increase in shareholder equity reflects retained earnings and investor confidence.
- The analysis shows efficient cost control measures, leading to improved margins.

VI. CONCLUSION

The present study on the financial analysis of Reliance Industries Pvt. Ltd., Hyderabad, provides a comprehensive understanding of the company's financial performance, operational efficiency, and overall stability over the past five years. Financial analysis plays a crucial role in evaluating the strengths and weaknesses of an organization, and this study has effectively utilized various tools such as ratio analysis, trend analysis, and comparative analysis to assess the company's financial position.

The analysis indicates that Reliance Industries has demonstrated strong financial performance characterized by consistent growth in revenue and profitability. The company's diversified business model, which includes petrochemicals, refining, telecommunications, and retail, has contributed significantly to its financial success. This diversification has not only reduced business risks but also enhanced the company's ability to generate stable and sustainable income streams.

Trend analysis shows a steady increase in assets, revenue, and net profits, indicating the company's continuous expansion and growth. The strong cash flow position further supports the company's operational efficiency and financial strength. Additionally, the company has successfully adapted to changing market conditions, including economic fluctuations and technological advancements.

Despite its strong performance, the company faces challenges such as fluctuations in crude oil prices, increasing competition, and regulatory changes. However, its strategic focus on innovation, digital transformation, and renewable energy initiatives positions it well for future growth. Investments in sectors like Jio and retail have already shown significant potential and are expected to contribute further to the company's expansion.

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