

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Diploma Thesis

Fundamental Analysis of Reliance Industries

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DIPLOMA THESIS ASSIGNMENT

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Economics and Management

Thesis title

fundamental analysis on The Reliance Industries Limited.

Objectives of thesis

The main objective is to perform a fundamental analysis of Reliance Industries Limited by using different analyses such as Product & service, financial statement analysis, management analysis, and valuation of the company. The study also aims at extracting more information about the fundamental analysis practices of the organization that had to lead the business in performing their activities more successfully. The study will also focus on the analysis of the value obtained from the annual report of Reliance Industries Limited from 2015 to 2021.

The sub-objective of the current thesis is to understand the fundamental position of the company, and the factors affecting the growth of the company in retail industries.

Methodology

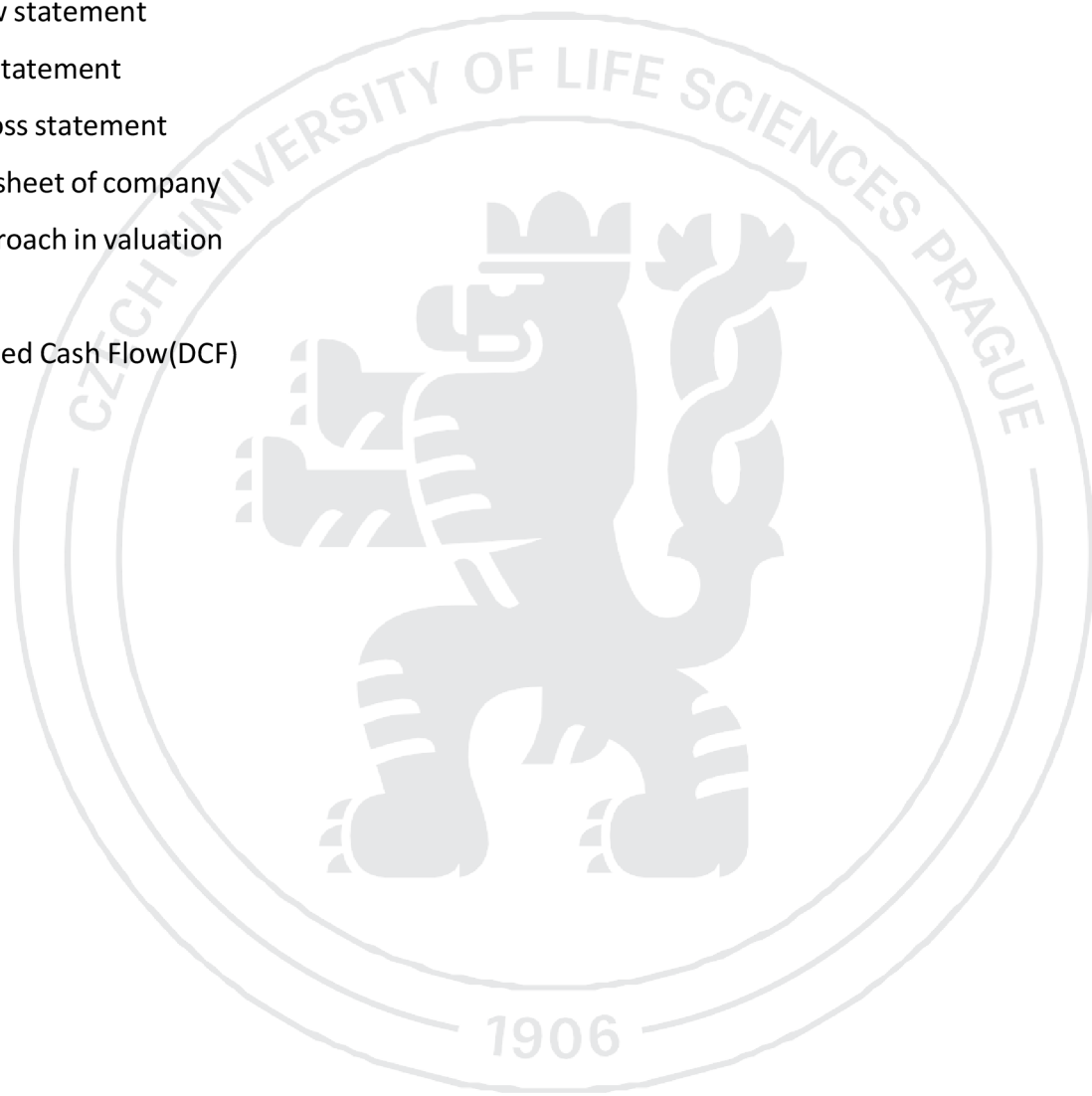
The study of research will be statistical as well as quantifiable in nature. The Review Will Be Based on The Secondary data method. The data for the thesis will be collected from Reliance Industries Limited's annual report financial statement general meetings, magazines, and publications. Furthermore, additional information will be collected from the literature already published to highlight the significance of the fundamental analysis of this company. The researcher has focused on the past trend to perform the analysis to understand the company's fundamental position, including the period from 2015 to 2021.

The data is collected from Reliance Industries, Bombay Stock Exchange, Fortune 500 companies, and diverse industries of India. The data will be used in the research to evaluate the company's fundamental position, including 4 primary analyses product & Services analysis, Financial statement analysis, management analysis & valuation analysis. Using These methods, the company's fundamental performance will be evaluated and it will also help the investors to determine investment possibilities.

The Various Methods approach will be used for the current study for the fundamental analysis of Reliance Industries Limited As Below.

- ratio analysis

- cash flow statement
- income statement
- profit&loss statement
- balance sheet of company
- cost approach in valuation
- EBITDA
- Discounted Cash Flow(DCF)



The proposed extent of the thesis

60-80

Keywords

fundamental analysis, Internal & External Analysis, Horizontal & vertical analysis, Intra-firm & Inter-firm Analysis, Cross sectional analysis, Reliance Industries Ltd.

Recommended information sources

GRAHAM, Benjamin a Jason ZWEIG. The Intelligent Investor: The Definitive Book on Value Investing. Rev Ed. New York: Harper Business, 2006. ISBN 9780060555665.

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NGURAH AGUNG, Gusti. Cross Section and Experimental Data Analysis: Using EViews. New Jersey: wiley, 2011. ISBN 978-0-470-82842-7.

SINHA, GOKUL. Financial Statement Analysis. 2nd Revised edition. New Delhi: PHI Publisher, 2012. ISBN 8120346602.

Expected date of thesis defence

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The Diploma Thesis Supervisor

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Electronic approval: 16. 6. 2022

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Head of department

Electronic approval: 2. 11. 2022

doc. Ing. Tomáš Šubrt, Ph.D.

Dean

Prague on 28. 03. 2023

Declaration

I declare that I have worked on my diploma thesis titled " Fundamental Analysis of Reliance Industries " by myself and I have used only the sources mentioned at the end of the thesis. As the author of the master thesis, I declare that the thesis does not break any copyrights.

In Prague on

_____28-03-2023_____

Acknowledgement

I would like to thank acknowledge the efforts of my supervisor **Ing. Karel Malec, Ph.D**, for his assistance, recommendations and comments. Which Contributed to improve My Diploma Thesis

Appendix

Table 8-1 Showing Reliance Industries Ltd. Balance Sheet (Assets)

Years	2021	2020	2019	2018	2017	2016	2015
Tangible Assets	292,092.0 0	297,854.0 0	194,895.0 0	191,879.0 0	145,486.0 0	91,477.0	79,778.00
Intangible Assets	14,741.00	8,624.00	8,293.00	9,085.00	9,092.00	39,933.00	34,785.00
Capital Work-In-Progress	20,765.00	15,638.00	105,155.0 0	92,581.00	128,283.0 0	97,296.00	65,178.00
FIXED ASSETS	339,668.0 0	334,443.0 0	314,745.0 0	300,447.0 0	287,319.0 0	238,289.0 0	190,316.0 0
Non-Current Investments	252,620.0 0	421,793.0 0	272,043.0 0	171,945.0 0	140,544.0 0	112,630.0 0	62,058.00
Long Term Loans And Advances	65,698.00	44,348.00	31,806.00	17,699.00	10,418.00	16,237.00	29,259.00
Other Non-Current Assets	4,968.00	4,461.00	4,287.00	3,522.00	2,184.00	0	0
TOTAL NON-CURRENT ASSETS	662,954.0 0	805,045.0 0	622,881.0 0	493,613.0 0	440,465.0 0	367,156.0 0	281,633.0 0
Current Investments	94,665.00	70,030.00	59,640.00	53,277.00	51,906.00	39,429.00	50,515.00
Inventories	37,437.00	38,802.00	44,144.00	39,568.00	34,018.00	28,034.00	36,551.00
Trade Receivables	4,159.00	7,483.00	12,110.00	10,460.00	5,472.00	3,495.00	4,661.00
Cash And Cash Equivalents	5,573.00	8,485.00	3,768.00	2,731.00	1,754.00	6,892.00	11,571.00
Short Term Loans And Advances	993	15,028.00	4,876.00	3,533.00	4,900.00	11,938.00	12,307.00
Other Current Assets	67,892.00	26,826.00	28,326.00	14,343.00	8,231.00	776	547
TOTAL CURRENT ASSETS	210,719.0 0	166,654.0 0	152,864.0 0	123,912.0 0	106,281.0 0	90,564.00	116,152.0 0
TOTAL ASSETS	873,673.0 0	971,699.0 0	775,745.0 0	617,525.0 0	546,746.0 0	457,720.0 0	397,785.0 0

Source: Researcher's Compilation from Money Control, 2015-2021

Table 8-2 Showing Reliance Industries Ltd. Balance Sheet (Liabilities)

Years	2021	2020	2019	2018	2017	2016	2015
Equity Share Capital	6,445.00	6,339.00	6,339.00	6,335.00	3,251.00	3,240.00	3,236.00
TOTAL SHARE CAPITAL	6,445.00	6,339.00	6,339.00	6,335.00	3,251.00	3,240.00	3,236.00
Reserves and Surplus	468,038.00	384,875.00	398,983.00	308,297.00	285,058.00	236,936.00	212,923.00
	0	0	0	0	0	0	0
TOTAL RESERVES AND SURPLUS	468,038.00	384,875.00	398,983.00	308,297.00	285,058.00	236,936.00	212,923.00
	0	0	0	0	0	0	0
TOTAL SHAREHOLDERS FUNDS	474,483.00	391,214.00	405,322.00	314,632.00	288,309.00	240,176.00	216,159.00
	0	0	0	0	0	0	0
Long Term Borrowings	160,598.00	194,402.00	118,098.00	81,596.00	78,723.00	77,866.00	76,227.00
	0	0	0				
Deferred Tax Liabilities [Net]	30,788.00	50,556.00	47,317.00	27,926.00	24,766.00	13,159.00	12,677.00
Other Long Term Liabilities	4,518.00	3,434.00	504	504	0	0	0
Long Term Provisions	1,499.00	1,410.00	2,483.00	2,205.00	2,118.00	1,489.00	1,404.00
TOTAL NON-CURRENT LIABILITIES	197,403.00	249,802.00	168,402.00	112,231.00	105,607.00	92,514.00	90,308.00
	0	0	0	0	0		
Short Term Borrowings	33,152.00	59,899.00	39,097.00	15,239.00	22,580.00	14,490.00	12,914.00
Trade Payables	86,999.00	71,048.00	88,241.00	88,675.00	68,161.00	54,521.00	54,470.00
Other Current Liabilities	80,735.00	198,662.00	73,900.00	85,815.00	60,817.00	54,841.00	19,063.00
		0					
Short Term Provisions	901	1,073.00	783	918	1,268.00	1,170.00	4,854.00
TOTAL CURRENT LIABILITIES	201,787.00	330,682.00	202,021.00	190,647.00	152,826.00	125,022.00	91,301.00
	0	0	0	0	0	0	
TOTAL CAPITAL AND LIABILITIES	873,673.00	971,699.00	775,745.00	617,525.00	546,746.00	457,720.00	397,785.00
	0	0	0	0	0	0	0

Source: Researcher's Compilation from Money Control, 2015-2021

Table 8-3 Showing Income Statement of Reliance Industries Ltd.

Income	2021	2020	2019	2018	2017	2016	2015
Revenue From Operations [Gross]	278,940.00	366,177.00	401,583.00	315,357.00	265,041.00	251,241.00	340,814.00
Less: Excise/Sevice Tax/Other Levies	33,273.00	29,224.00	29,967.00	25,315.00	23,016.00	18,083.00	11,738.00
Total Operating Revenues	245,667.00	336,953.00	371,616.00	290,042.00	242,025.00	233,158.00	329,076.00
Other Income	14,818.00	13,566.00	8,822.00	8,220.00	8,709.00	7,582.00	8,721.00
Total Revenue	260,485.00	350,519.00	380,438.00	298,262.00	250,734.00	240,740.00	337,797.00
Cost Of Materials Consumed	168,262.00	237,342.00	265,288.00	198,029.00	164,250.00	152,769.00	255,998.00
Purchase Of Stock-In Trade	7,301.00	7,292.00	8,289.00	7,268.00	5,161.00	4,241.00	7,134.00
Operating And Direct Expenses	18,375.00	21,424.00	24,839.00	0	0	17,328.00	19,693.00
Changes In Inventories Of Fg, Wip And Stock-In Trade	610	77	-3,294.00	-3,232.00	-4,839.00	4,171.00	1,943.00
Employee Benefit Expenses	5,024.00	6,067.00	5,834.00	4,740.00	4,434.00	4,260.00	3,686.00
Finance Costs	16,211.00	12,105.00	9,751.00	4,656.00	2,723.00	2,454.00	2,367.00
Depreciation And Amortisation Expenses	9,199.00	9,728.00	10,558.00	9,580.00	8,465.00	9,566.00	8,488.00
Other Expenses	13,565.00	14,306.00	14,252.00	31,496.00	29,763.00	12,757.00	10,593.00
Total Expenses	237,577.00	305,958.00	333,071.00	252,537.00	209,957.00	205,039.00	308,329.00
Profit/Loss Before Exceptional, Extraordinary Items And Tax	22,908.00	44,561.00	47,367.00	45,725.00	40,777.00	35,701.00	29,468.00
Exceptional Items	4,304.00	-4,245.00	0	0	0	0	0
Profit/Loss Before Tax	27,212.00	40,316.00	47,367.00	45,725.00	40,777.00	35,701.00	29,468.00
Current Tax	0	7,200.00	9,440.00	8,953.00	8,333.00	7,802.00	6,124.00
Deferred Tax	-4,732.00	2,213.00	2,764.00	3,160.00	1,019.00	482	625
Total Tax Expenses	-4,732.00	9,413.00	12,204.00	12,113.00	9,352.00	8,284.00	6,749.00
Profit/Loss For The Period	31,944.00	30,903.00	35,163.00	33,612.00	31,425.00	27,417.00	22,719.00

Source: Researcher's Compilation from Money Control, 2015-2021

Table 8-4 Showing Cashflow Statement of Reliance Industries Ltd.

Cash And Cash Equivalents Begin Of Year	2021	2020	2019	2018	2017	2016	2015
Net Profit/Loss Before Extraordinary Items And Tax	27,212.0 0	40,316.00	47,367.0 0	45,725.0 0	40,777.0 0	35,701.0 0	29,468.0 0
Net Cashflow From Operating Activities	-512	77,533.00	29,191.0 0	62,000.0 0	51,450.0 0	44,082.0 0	35,285.0 0
Net Cash Used In Investing Activities	74,257.0 0	- 143,625.0 0	- 53,949.0 0	- 59,109.0 0	- 54,949.0 0	- 42,329.0 0	- 55,998.0 0
Net Cash Used From Financing Activities	- 76,657.0 0	70,767.00	25,795.0 0	- 1,914.00	- 1,639.00	- 6,432.00	-940
Net Inc/Dec In Cash And Cash Equivalents	- 2,912.00	4,717.00	1,037.00	977	- 5,138.00	- 4,679.00	- 21,653.0 0
Cash And Cash Equivalents Begin Of Year	8,485.00	3,768.00	2,731.00	1,754.00	6,892.00	11,571.0 0	33,224.0 0

Source: Researcher's Compilation from Money Control, 2015-2021