A STUDY ON WORKING CAPITAL MANAGEMENT AT RIL LTD

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Abstract

The purpose of this study is to examine the effect of working capital management on a firm's profitability. The study is based on a study by samRIL LTD, covering a span of five years from 2007 to 2011. A discriminatory panel regression and Pearson correlation are used to test the hypotheses.The empirical evidence found that there exists a significant positive relationship between exogenous variables such as the average collection period, inventory conversion period, and the firm's size and its endogenous variable, which is the firm's profitability. The findings also show a significant inverse relationship between debt ratio (leverage) and a firm's profitability, but the firm's capability to translate working capital into cash promptly, as a proxy in the log cash conversion cycle, has no impact on the firm's profitability.

I.   Introduction

Inventory Control and Management

Inventories form the major element of existing assets linked to a vast percentage of businesses. On average, inventories account for roughly 60% of existing assets.Due to its size, which is large, it demands a significant quantity of cash. The inventory signifies and also contains the services and goods for sale by the retailer and also the raw materials or maybe some other elements being employed in the creation of such products and services.

Raw materials, work-in-progress, and finished products are the most common types of inventory for almost all businesses.Raw materials are basic inputs which are turned into final goods via the manufacturing process. Products produced for future use are included in raw material inventories.

Work-in-process:

Work-in-process is semi-manufactured products. They signify commodities which require much more work before they can be considered final goods on the market.

Finished goods: These are entirely produced things that are prepared for purchase. Stocks of raw materials and work-in-process help manufacturing, while the inventory of completed products is important for successful marketing activities. Thus, inventories operate as a connection between the creation and usage of goods. The volumes of three sorts of inventories for a firm depend on the dynamics of business. A manufacturing firm is going to have very large quantities of all three forms of inventories. While the wholesale or retail firm will most likely have a high percentage of finished product inventories and no raw materials or work-in-process inventories,the operational cycle may be recognised as follows: - sSales

I need to maintain inventories. Maintaining inventories will require an attempt to keep up with the company's incurrence and money storage and also keep expenditures low. Keeping inventories is beneficial for the following three reasons:

Transactions Motive: The ability to conserve inventories to support seamless manufacturing and product sales operations emphasises the necessity.

Precautionary Motive: It demands the holding of inventories to defend against the possibility of unanticipated changes in popular and also other elements and supply forces.

Speculative Motive: It influences the decision to increase and decrease inventory levels in order to capitalise on price variations.

Management of Receivables and Debtors Working capital is mostly comprised of accounts receivable, which includes both invoices and debtors. Every time food is offered on credit or clients' payments are

delayed, receivables are created. A promise is made with the buyer to pay the money within a particular time. The customers from whom receivables or maybe book debts need to be retrieved in the long term belong to the trade debtors and also belong to the firm's assets, in that case. Thus, a receivable is a loan of some kind offered by the supplier to the client to help with the buying process. Receivable management may be defined as an assortment of measurements and processes essential to correctly weighting the expenses and rewards associated with the credit policy. Receivable Management is aligning the expense of enhancing sales (especially credit sales) combined with the benefits flowing from better sales with the objective of optimising the return on investment of the tight.

NATURE

The phrase "credit policy" is used to describe a combination of three choice variables:

1. Credit standards: It's the criterion to select the consumer types to whom products could be offered on credit. If a firm has a lot slower than As paying clients, the purchase of its accounts receivable will climb. As a result, the company will be at an increased risk of going bankrupt.
2. Credit terms: It outlines the length of the contract and the customer's acceptance of payment. Accounts receivable investment is crucial if customers are granted an extended period of time to make payments.
3. Collecting efforts: It figures out the unique collection time period. The lower the collection phase, the lower the purchase in accounts receivable along with the other way round. Management of Cash Cash management describes the control of the bank and cash balance that comes with the short terms deposits. Money is the biggest current benefit of the businesses in the company. Money is the primary input necessary to keep the company working on a continual basis. It's likewise the maximum output likely to be recognised by supplying the service or maybe product manufactured by the tight. The term cash encompasses coins, currencies, then check maintained by the firm and stability in the bank accounts.

Cash Management Factors:

Money management is concerned with the management of one. Cash tightens and loosens.

2. Cash travels inside the tights and
3. The cash balance is preserved by the firm at the expense of time by financing loans or possibly investing excess cash. Sales create money, which has to be dispersed out. The excess funds need to be utilised while the deficit needs to be borrowed from. It also aims to gain control and liquidity.Motives for retaining cash A differentiating attribute of money as an advantage is that it doesn't make some major return for the company. Although the firm retains cash for the following motives:

Transaction motive Preventative motivation Speculative motives Compensatory motive

Transaction motive: This describes the holding of dollars to meet regular cash demand for financing. The normal stream of commercial transactions carried out by a firm.

1. Precautionary motive: this indicates the need to keep dollars on hand in case of unanticipated events such as a strike or a rapid rise in raw material prices.If a firm has to borrow money quickly to cover an unexpected expense, it will need to maintain small cash reserves, and the reverse is also true.

2. Speculative motives: this term describes the firm's drive to take advantage of chances that arise unexpectedly and also beyond the conventional course of operations.

I. Compensatory motive: some solutions are offered by banks to their customers entirely free of cost. They, thus, often expect the customer to keep a minimal cash balance with them to produce interest and hence reimburse them for the no-cost service so offered. Payables and creditors are a critical component of excellent money management and must be managed properly to enhance the cash position. A purchase produces cash withdrawals, and a too aggressive purchasing function could lead to liquidity concerns. Imagine the following:

II. **A Review of Literature**

14 (a 2016 attempt to empirically validate the determinants of firm success in India). Over the course of eight months, about 566 significant Indian companies are being scrutinised. Solid size, worldwide marketing, and diversification spending are compared to shareholder value, earnings, and growth. Many of the following variables have a positive influence on the market value of small businesses.

That the firm's financial success was determined by dynamics, equity ownership, and component quantity.

A quantitative tight and business level benchmark was tried by Manoj Anand and Keshav Malhotra (2018). 15. This work attempted to provide a means of evaluating working capital management and the general functioning of corporate India by utilising the attributes of risk return trade off. They recognised that there was no empirical proof that there was a relationship between working capital management and firm profitability.

We examined the relationship between working capital management and the achievement of Indian petrochemical businesses in Chawla, Harkawat, & Khairnar (2019). Selected for the study were Reliance Industries Limited (RIL), Hindustan Petroleum Corporation Limited (HPCL), and Gas Authority of India Limited (GAIL). ACP (average collecting period), ITID (inventory turnover in days), APP (average transaction period), CR (cash transformation cycle) and current ratio). The GOP was used as a dependent variable to compute earnings. These variables were considered independent. The results were obtained using linear regression and Pearson's correlation coefficient. The researchers discovered that decreasing time periods for independent variables typically improves the usefulness of controlling working capital. The company's earnings and the independent variables had a negative relationship.

Articles on International Research

Shin and Soenen (1998)[1] studied the relationship between a firm's NTC and its earnings. They used correlation and regression analysis to corroborate the results. The study used a Compustat sample of 58,985 businesses during a 20-year period.

The realisation was the negative effect of net trade cycle duration on small earnings. The fiscal professional's advice was to reduce the total industrial cycle to increase shareholder value.

It's not the first attempt Luc Soenen[2] has made to understand the relationship between money conversion (corporate and profits). Soenen (1993) thought that the shorter the money conversion cycle, the more profitable the small. He examined 20 different industries during an analysis of 20 years. It was calculated as a total return on total assets (TRTA). In fact, a chi-square test for hypothesis evaluation found that shorter trading cycles are related to higher earnings.

A big examination of firms from the yearly Compustat tapes was conducted by Jose et al. (1996). This analysis included correlation, regression, and non-parametric data analysis. These techniques were used to examine cross-sectional relationships between profitability methods and the money cycle. This study found a statistically significant unfavourable relationship between earnings and CCC in industries with more severe liquidity management (lower CCC). Professional Services, Natural Resources, Retail/Wholesale, Manufacturing, and Services have proved that size does not affect profitability or CCC. This finding by Jose et al. produced earlier findings using other statistical methods. The analysis suggests that extensive working capital management practises will likely improve performance and profitability.

Visscher and Weinraub (1998) studied 10 various business groups for a long time. The goal of the relationship was to comprehend the different working capital techniques and their interrelationships. This analysis work achieved a unique status in that it attempted to complete the distant relative positioning of the industries based on working capital management methods and strategies. In this study, quarterly pH levels of The ten-year picture of existing debts, current assets, and total assets of companies from various industries. Much of the data was gathered using Compustat. Companies with three or more months of missing data are removed, reducing the impact of varied reporting times and seasonality trends. In addition, the single-year averages were estimated for 10 months. It employed ANOVA and Tukey's HSD test for addition. Overall, industries with a strong consumer lot tend to have more severe financing results. A long-time study revealed wide relative differences in working capital policies. Industries with aggressive asset programmes had a more typical financing approach.

An evaluation of the literature revealed that researchers focused on the context in which previous results were examined. Since the year 2000, the most recent design in research functions has been noticed.

Howorth and Westhead (2003) published a major study relevant to current doctoral research. For this firm, a stratified random sample of 130,000 UK small businesses was taken from One Source, as defined by the UK Companies Act. The scientists distributed 343 valid surveys from a group of 1928 private businesses. There were 11 working capital management routines examined in the study:

turnover, stock levels, inventory reorder ranges, customer recognition periods, buyer discount policies, bad debts, uncertain debts, customer credit risk, transaction phase to creditors, financial of working use, and capital budgeting. Using significant component and team analysis, four distinct organisational types were identified in terms of working capital management. Cash, stock, low, and credit are the four sets of companies. The findings imply that companies with fewer specialised capabilities, shorter production cycles, fewer cash flow concerns, less external funding, and more profitability seem to execute minimal working capital management. Larger but younger businesses with less cash revenue, more external funding, and obvious seasonality tended to concentrate more on cash management. Small and newer businesses' affordabilityInventory lot regimes were obviously focused on decreasing manufacturing cycles. Most businesses with lower earnings, fewer paying customers, and less growth potential have focused on recognition management systems.

To compute working capital management, Deloof (2003) used the Cash Conversion Cycle. The variables analysed were days receivable, inventories, and accounts payable. From 1992 to 1996, a sample of 1009 large Belgian non-financial firms was considered. The database of the National Bank of Belgium contains the financial statements of 2,000 major Belgian companies. Using a regression analysis with a fixed outcome model, the specific intercept of each firm is determined. The outcomes concerning accounts receivable adjustable suggested a bad and vital relationship. Increasing the number of days receivable leads to lower operational earnings. Also, yucky operating income increased with firm size (measured as the organic logarithm of sales), sales growth, and fixed assets. However, increasing debt led to a drop in overall operational income. Gross operating earnings exhibited a significant negative relationship with days of inventory. A major relationship between bad operating revenue and bad accounts payable was found. Based on the regression results, managers must decrease the number of days' accounts receivable and inventories to boost company earnings. Firms with lower profits waited far longer for bill payments. To assess the findings' coherence, regression analysis using simple OLS (full form) was done on the determinants of bad operating revenue. The outcome was consistent with the preceding outcomes, although with slight variations in the money transformation cycle coefficient for gross operating money. According to the article, the modified R2 of the OLS regressions was significantly smaller than the adjusted R2 (inside) of the fixed consequences regressions. The study found that the regression model describes more variations in earnings within firms than across firms. Deloof advocated for firms to reduce the number of days accounts receivable and inventories are outstanding in order to achieve a level for their shareholders.

Abuzar (2004)7 examined the connection between liquidity and profitability using current money and ratio gap (money transformation cycle). In this study, the cash gap was recognised by subtracting days in payables from days in listing (DII) and days in receivables (DIR). Statistically, correlation analysis was utilised to determine the connection between liquidity and profitability indicators and other associated variables. After driving the variables, the author used regression to evaluate the causal relationship between profitability, liquidity, and other variables. 19 public companies with yearly audited financial data were selected. The relationship between earnings and liquidity variables was also selected. We found a significant and negative connection between existing ratio (NOI) and correlation coefficients. One finding indicated that there was a bad relation between NOI and cash gap that was not statistically significant. The preceding results show that the current funds plus ratio degree liquidity differs. The relationship between size and profitability was found to be significant and favourable. There was a substantial and also positive relation between total property and also sales, irrespective of size. An relationship was created to look at earnings and liquidity. The study examined the relationship between earnings, liquidity, and cash gap as an aspect of managing the money cycle. In comparison to the influence of current ratio on profitability, the analysis discovered that the cash gap and even represented a considerably more essential way of calculating liquidity. A lower level of liquidity is generally associated with more money intensive segments such as services.

A working capital management survey was used by Krueger and Philbeck (2005) 8. Important components of working capital management were examined for selected businesses to get insight into their overall operation. In general, two broad dimensions emerge from two separate assumptions. The first to find statistically significant variations across industries in working capital efficiency as driven by CFO magazine. An ANOVA was used to assess variance.

Look for effects.Another hypothesis examined whether working capital actions for businesses within an industry vary over time. The WCM functioning was assessed using Kendall's coefficient of

concordance. The first information came from CFO magazine. The second hypothesis found that working capital processes for a single firm were not constant and that activities varied greatly over time. The poll may have suffered from survivorship bias since it was performed in a rapidly improving market. The rationale was that only the best firms in each category were placed each year. Thus, the market's business structure changed yearly, generating the survivorship bias. The authors proposed further research on share price functionality variables.

Between 1996 and 2002, Garcia et al. (2007) 9 gathered panel data on 8872 Spanish SMEs. The impact of working capital management on selected organisations' earnings was empirically investigated. The AMADEUS database was used for the data. Amdeus finds financial and economic data about European companies. The relationship between reliance adjustable ROA (Return on Assets) and neutral variables AR (amount of days accounts receivable), INV (amount of days inventories), AP (amount of days accounts payable), and CCC was computed using four regression models (the cash conversion cycle). The regression equations include four control variables: SIZE (natural logarithm of total assets), SGROW (item sales growth), DEBT (debt to liability ratio), and GDPGR (annual GDP growth rate). Among the key findings on credit was that the firm's profitability increased when the credit policy was more restrictive and gave consumers less time to pay. Contrarily, a customer-focused transaction centre increased earnings. It's been determined that reducing inventory improves profitability. A larger number of days of accounts payable reduces profitability. The profitability of SMEs was assessed based on the number of days of accounts receivable, inventory, and accounts payable. Many of the control variables had a significant impact. The firm's huge size had a positive outcome in increasing profitability. grow to be a positive earnings developmentDebt had a negative influence on earnings, whereas GDPGR had a positive impact.

Azir and Afza (2009) used a driven purchase strategy comparable to Weinraub and Visscher (1998). The basic idea was that aggressive investment policy resulted in less investment in current assets than in fixed assets. At the same time, a conventional investment policy (CIP) allegedly resulted in more capital in volatile assets and reduced profitability. The researchers analysed AIP using a ratio of Total Current Assets (TCA) to Total Assets (TA) (TA). A lower ratio implied a mostly driven policy. Moreover, the Total Current Liabilities (TCL) to Total Assets (TA) ratio was used to measure aggressive financing policy (AFP). A greater ratio implied a more driven policy. It was estimated as a ratio of both Neat (Net Earnings after Taxes) and BVA (Book Value of Assets) to compute earnings. Tombin's Q was defined as the ratio of MVF (Market Value of Firm) to BVA (Book Value of Assets). MVF was defined as the sum of all short and long-term debt plus the market value of equity. The market expense of equity was calculated by multiplying the number of shares outstanding by the current market value of the listing in a represented season. Use particular control variables such as SIZE (natural logarithm of total assets) and growth (sales development) and LVRG (financial leverage of the companies as debt to equity ratio of every tight in the full analysis period). An analysis of regression equations revealed that businesses that took a risky approach to short-term obligations were viewed favourably by investors. No additional revenue came from the ambitious working capital programme.

Vural et al. (2012) investigated companies listed on the Istanbul Stock Exchange. The data set included 75 production companies from 2002 to 2009. The firm's value and profitability were employed as metrics.

solid performance Gross Operating Profit was used to show earnings. It was evaluated by dividing COGS by the total assets and cash assets. For TOBIN Q, the ebook value of debt plus the market value of equity were split by the total assets. Command Variables were also utilised. All management variables were represented by the organic logarithm of the whole residence. Another control variable was economic take, which was calculated by dividing total liabilities by total home.The results showed that reducing the time to compile accounts receivable and the cash conversion cycle improved earnings. Some key findings indicated that reducing accounts receivable compilation time and cash conversion cycles benefited earnings. According to regression results, a longer cash transformation cycle increased firm value. Lower control was found to improve firm value and success.

Charitou 12 et al. (2012) studied the relationship between working capital management and firm profitability in Indonesian firms. The authors performed the study assuming that better working capital management improves financial performance, notably profitability. The researchers examined at each Cash conversion cycle and total trade cycle. From 1998 to 2010, ECFIN summary data was

gathered. The study included numerous industries. Working capital management and earnings are linked using regression equations. The dependent variable was Return on Assets (ROA). ROA was estimated as operating earnings before taxes divided by total assets. The organic logarithm of total assets, present ratio, cash flow growth, debt ratio, money transformation cycle, and total trade cycle are used as independent variables. By subtracting the quantity of listing assortment phase (ICP) and trade payable compilation period (PCP), the cash transformation cycle was estimated (RCP). Many arithmetical businesses are finished for the total trade cycle number. The first step was to remove trade payables from a total of trade receivables and inventories. Split by Net revenue. The accessible was 365 times. Control variables included tight dimensions (Size), sales growth (SG), current ratio (CR), andDebt ratio (DR). The outcomes showed that the dollars conversion cycle and firm size were associated to profitability. Larger companies with greater recognised terms and customer list contribute to increasing earnings and strong value. The risk profile of the relation and its achievement were supposed to be inverse.

III. THERITICAL FRAMEWORK

MANAGEMENT OF WORKING CAPITAL

Management of working capital is interested in the problem which happens in attempting to regulate today's property, current obligations. Managing a company's assets and current obligations in such a way that a sufficient amount of working capital is maintained, i.e. it is neither excessive nor too bountiful, is the primary goal of working capital management. Right now there need to be no deficiency of money as well as no working capital must be ideal. WORKING CAPITAL MANAGEMENT POLICES of a firm has an excellent on its structure, liquidity, and likelihood wellness of the business. So, working capital management is 3 dimensional in nature as\s1. It worried about the design of policies with reference to profitability, risk and liquidity.

2. It's worried about the choice of the structure plus the number of current assets.
3. It's worried about the choice of the structure plus the number of current obligations.

WORKING CAPITAL ANALYSIS

As we realise operational capital will be the lifeblood as well as the focus of a company. Sufficient amount of working capital is a lot necessary for the smooth operating of the company. The most critical time is the timely and efficient management of working capital. The liquidity function of the firm is fully influenced by the management of working capital. Thus,Of changes in the objectives and also alternatives of working capital is essential to assess the effectiveness with what the working capital is employed in a company. This necessitates the necessity of working capital analysis.

A evaluation of products, such as one, may be used to assess working capital. Ratio analysis.

2. Fund flow analysis.
3. Budgeting.

TECHNIQUES OF WORKING CAPITAL ANALYSIS

There are numerous of techniques for evaluation of financial statements but RIL LTD adopted the following techniques: Statements on size comparisons? Trend analysis? Cash flow statement Ratio analysis

A thorough description of these techniques is as follows: - \sCOMPARATIVE SIZE STATEMENTS: - \sWhen 2 or even over 2 years figures are put alongside one another then we named comparative size statements to be able to calculate the succeeding development of the company, it's essential to seem the previous performance of the business. In addition to showing the figures, these statements show the change from one season to the next.

DIRECTION ANALYSIS:-Since

In order to assess a number of years' financial statements, RIL LTD adopts this unique strategy. This indicates the course of action over a very long time and provides aid in the financial accounts.

1. The previous year is regarded as the starting season.

2. Figures from the start year are regarded as hundred.
3. The trend percent is calculated in relation to the base year.

Cash Flow Statement:

Cash flow claims are claims for changes in the financial situation that are prepared on the basis of funds specified in money or cash equivalents.In tiny cash flow statement summaries, the cash inflows and outflows of the firm at a specified time are listed.

The benefits of any RIL LTD: preparing a financial budget.In order to examine the money budgets To demonstrate the role of money in conjunction with cash equivalents,

Ratio analysis:

The ratio examination is the technique of deciding and also displaying the connection between the things plus the class of things in the claims.

The purpose of the study

To assess and study the working capital of Reliance Industries Limited at Hyd.

Ratio analysis is used to evaluate an organization's financial health and soundness.

To study the interplay between current assets and current liabilities.

To learn the ideal amount of current assets and present-day liabilities of the company,

In order to learn the liquidity status via several working capital related ratios,

To learn more about the working capital components, including debtor management, inventory position, and creditors' management,

Working Capital Ideas

Working capital management falls into two categories:

DDD Qualit and CCC Quant

These tactics are known as "marketing capital plus working capital." Today, your home is considered working capital, also known as gross working capital. Working capital is defined as the excess of current assets over current liabilities. Existing properties minus existing liabilities L.J. Guthmann defines working capital as "long-term money of a firm's existing property."

To grasp working capital management, one must first understand contemporary current obligations and assets.

Home now? This is essential to Current assets are fleeting. For small-business operations, several property kinds are often used. These properties have two main characteristics: limited lifespan and rapid conversion into other property types. Cash balances may sit inactive for weeks, while receivables may sit for 30-60 days.

Fitzgerald defined today's home, cash, and other assets that are expected to be transformed into money in the usual course of business within a year or longer.

What are the current liabilities? The company generates obligations for getting raw materials and other essential elements on credit, known as creditors or account payable. Until payments to creditors are made, they are classed as liabilities. Current liabilities are all responsibilities payable in the near future.

Working capital structure

Working capital is made up of current debt and property. Every component has a role in any business situation. Insufficient working capital may negatively impact the company's efficiency and success.

Table 1.1 shows current assets and current debts, which make up working capital.

Working Capital Model

Current Assets Current Liabilities

Inventories of Creditors

Bank Overdraft and Cash Flow

Payables Receivables

Expenses: Unpaid Bills

Short-term Loan Earnings

Taxation of Prepaid Expenses

Current Liability Current Assets

1.4 Flows of Working Capital

current assets plus current liabilities in business time. It is like a reviving current that passes. Working capital is a vital component of every institution, even those as small as a human body. When working capital stops flowing, airers4you becomes unresponsive. Advance information is required for an essential and long-lasting business.

Chart 1.1 depicts the working capital cycle, showing that the bulk of funds are raised via equity or cash issuance, borrowing, and efficiency. Cash is used to purchase raw materials, fix assets, and pay creditors. Raw materials are processed, and operating costs are paid, resulting in a finished product being sold on the market.

IV. DATA ANALYSIS & INTERPRETATION
(WORKING CAPITAL MANAGEMENT OF RIL)
CURRENT RATIO

It's also known as a working capital ratio.It is a measures of the short-term financial strength of the business and also shows whether the company will manage to fulfil it' s current liabilities as if they get older.

Current Assets such as assets which may be converted in to money readily then itself like market securities debtors, inventory, prepaid expenses etc.

Creditors, bills payable, accrual expenses, short term bank loan, income tax liabilities as well as long term debt maturity in year which is current was included by current liabilities. In short it could be reported as pretty much all tasks within 12 months are provided in current liabilities.

Current Ratio is a measure of the firm's short term solvency. It indicates the supply of current assets in rupee of current liabilities. As a conventional rule, a present ratio needs to be or slightly more. It centres the solid of the vulnerable position of the company.

$$Current\ ratio = \frac{Current\ assests}{Current\ liabilities}$$

For the year:

2019 -20 = **Rs.** 58746.14   = 1.61

         Rs. 35756.98

2018 -19 = **Rs.** 51488.87   = 2.19

         Rs. 23417.51

2017 -18 = **Rs.** 29913.35   = 1.77

         Rs. 16865.53

2016 -17 = **Rs.** 24574.45   = 1.96

         Rs. 12563.50

2015 -16 = **Rs.** 28452.51   = 2.14

         Rs. 13283.95

TABLE NO 1

YEARS	CURRENT RATIO
2019-20	1.61
2018-19	2.19
2017-18	1.77
2016-17	1.96
2015-16	2.14

INTERPRETATION:

It is generally believed that the 2 ratio shows a comfy working capital position. The tendon committee appointed by RBI had wide recommended a current ratio of 2.Company has maintained the ration and also increased it year by season. A current ratio is 1.61 in the current year. But in the other year, the ratio is nearer to 1:2 so we can declare that the company having a comfortable working capital position.

ACID-TEST RATIO

The measure of absolute liquidity may be obtained only cash and bank balance as well as only ready marketable security with liquid liabilities. This is every existing standard of liquidity and it is satisfaction if the ratio is 1.50.
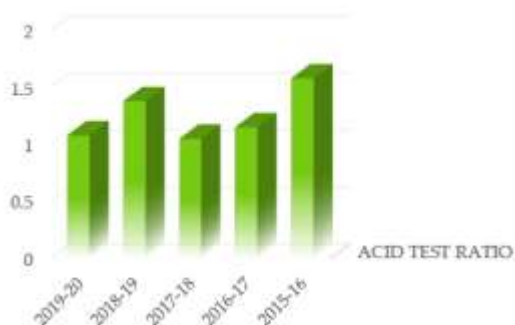
$$Acid - Test\ Ratio = \frac{C.A - Inventory}{C.L}$$

For the year:

2019	-20=	Rs. 58746.14 – 20116.61	= 1.15	Rs.	35756.98
2018	-19=	Rs. 51488.87 - 19126.14	= 2.19	Rs.	23417.51
2017	-18=	Rs. 29913.35 – 12136.51	= 1.38	Rs.	16865.53
2016	-17=	Rs. 24574.45 – 10119.82	= 1.15	Rs.	12563.50
2015	- 16=	Rs. 28452.51 – 7412.88	= 1.58	Rs.	13283.95

TABLE NO .2

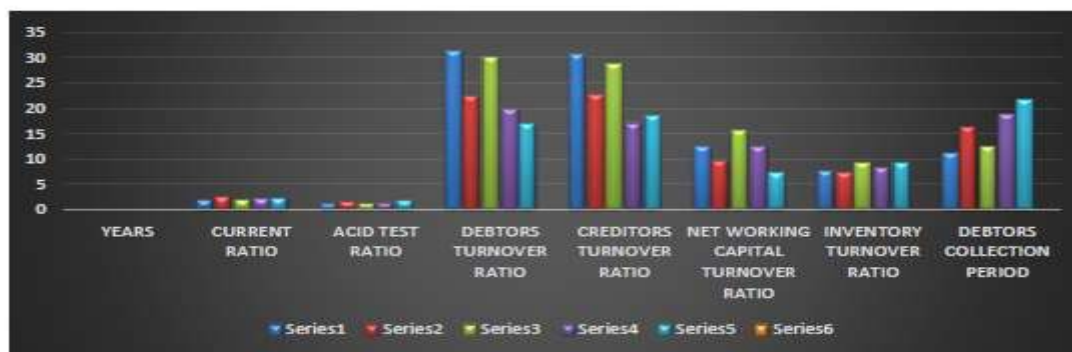| YEARS	ACID-TEST RATIO
2019-20	1.15
2018-19	1.38
2017-18	1.12
2016-17	1.15
2015-16	1.58

ACID TEST RATIO

INTERPRETATION:

Acid-test ratio is near to just one in the present year which is 1.15 as compared to 1.38 within the prior season. Overall of the acid test ratio of last 5 season is quite positive so we are able to determine that the complete liquidity of the Reliance Industries Limited is in favour.

STATEMENT OF RATIO PERIOD ANALYSIS

YEARS	CURRENT RATIO	ACID TEST RATIO	DEBTORS TURNOVER RATIO	CREDITORS TURNOVER RATIO	NET WORKING CAPITAL TURNOVER RATIO	INVENTORY TURNOVER RATIO	DEBTORS COLLECTION
2019-20	1.64	1.08	31.21	30.51	12.26	7.51	11

2018-19	2.19	1.38	22.34	22.48	9.27	7.17	16.15
2017-18	1.77	1.05	29.92	28.63	15.37	9.2	12.2
2016-17	1.96	1.15	19.5	16.92	12.32	8	18.71
2015-16	2.14	1.58	16.82	18.37	6.96	8.91	21.7

CONCLUSION:

In this study, I examined RIL Industry Limited's working capital management. Other current liabilities include securities and other current liabilities, other deposits, and provisions of RIL. was to maximise the total advantage of the bank account. In addition, total synchronisation and coordination of all working capital components is required to maximise the amount. Mismanagement of any or all of these components will jeopardise the account's overall value maximisation and profitability.The working capital limits will be viewed when the project is completed and inventory is regulated. In listing to be listed, RIL must have proper management and procurement. To assess eligible working capital limits, use the cash Budget technique • Projected production technique based on market conditions; operation scope; duration/length of cycle; activity/enterprise cycle; This study also seeks to identify customer satisfaction with mobile phone service providers. In this info age, the info of data cannot be overstated This decade, almost everyone has a mobile phone. So, service providers are growing in level of competition. This results in the introduction of new features, schemes, and periodic offers to their service, and the clients gain greatly from the service provider. Nowadays, cellular phones are required. Because it protects both men and women. They were also a status symbol for the youth. But one must also consider the disadvantages of mobile phones, particularly for children, whose cellular development and health may be jeopardised. Criminals are increasingly using mobile phones, therefore people must be cautious.

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