

A Comparative Financial Performance Analysis of Reliance Industries Ltd. (RIL) And Indian Oil Corporation Ltd. (IOCL)

Mr. Malkhan S. Ramesh¹ , Prof. Arun Kumar²

ABSTRACT

The present study analyzes the financial performance of 2 leading companies in Indian Oil and Gas Sector named as Reliance Industries Ltd. And Indian Oil Corporation Ltd. The study aims to evaluate and compare the difference between the Reliance industries ltd. and Indian Oil Corporation Ltd. To evaluate their financial health the researcher used various ratios and statistical tools. This research is based on descriptive and analytical research methodology using secondary data which is gathered from annual reports of both companies. Ratio analysis used for evaluate their performance and statistical tool ANOVA used for comparing the significant difference between the 2 companies. The findings indicates that RIL performed better than IOCL in various financial areas due to its stronger profitability, better liquidity and diversified business operations. On the other hand, IOCL shows lower and unstable financial performance, however, it performs better in asset utilization in creation of sales, but in some are Indian Oil Corporation Ltd. perform better and equivalent to Reliance Industries Ltd. The study concludes that RIL has a stronger and more stable financial position than IOCL, IOCL needs to improve its profitability, liquidity and business diversification to strong its financial strength.

Key Words: *Financial performanc¹, Indian Oil and Gas Sector, Ratio Analysis, ANOVA*

INTRODUCTION

The Indian Oil and Gas industry plays a highly important role in Indian economy. Oil and gas industry being a pillar which supports the growth of industries, transportation, energy etc. India is the 3rd largest energy consumer in the world, Indian economy is dependent on the oil and gas sector for satisfying its growing demand of energy due to industrialization, urbanization, and population growth. Moreover, this industry is also highly responsible for providing government revenue, managing foreign exchange, generating employment opportunities and promoting economic activity besides infrastructure development. This sector is of great importance in a developing country like India as it affects economic stability and production capacity.

The oil and gas industry in India comprises upstream, midstream, and downstream activities, including exploration, refining, marketing, and production of petrochemicals. A distinctive feature of this industry is the presence of strong public sector enterprises alongside capable private sector firms. This creates a fierce competition among various businesses, where efficiency in operations and proper management practices play a vital role in achieving success. Some of the major players in this industry include Reliance Industries Limited and Indian Oil Corporation Ltd.

Being one of india's leading private sector corporations, Reliance Industries Limited has succeeded in becoming one of India's most profitable enterprises due to its dominance in refining activities, petrochemicals, digital services and energy sectors. RIL's success is attributed to its diverse business scope, technological integration, and strategic investments, which help the corporation maintain profitability and competitiveness. On the other hand, as india's largest public oil company, Indian Oil Corporation Ltd. Plays a key role in the supply and refining of fuel in India.

Financial performance analysis remains an essential process that helps evaluate a company's operational capacity, profitability, liquidity, efficiency, and overall effectiveness. It is an effective tool for analyzing a company's resource management, financial stability, profitability, and adaptation challenges posed by external conditions. In the case of oil and gas companies, this type of evaluation becomes particularly important because this sector is significantly affected by changes in crude oil prices, international crises, political regulations, and other market changes, comparing the financial position of RIL and IOCL will provide valuable insight into the specifics of private and public companies.

The current study analyzes the financial position of RIL and IOCL to determine their performance with respect to key financial parameters such as profitability, liquidity, and efficiency. A comparative analysis of the two companies is necessary due to this significant role in India's energy sector and these different organizational structures. This study will help investors, government officials, researchers, and professionals understand the performance of organizations and their market position. Therefore, this study, titled "A comparative Financial Performance Analysis of RIL and IOCL" is relevant and important in the current context of the oil and gas sector in India.

LITERATURE REVIEW

1. **(Ali et al., 2024):** This paper examines the relationship between resource availability and financial performance of selected Indian oil exploration and production firms. Using trend analysis and sensitivity analysis, the study evaluates how changes in total resources influence profitability and operational efficiency. The findings indicate that companies with stronger resource bases exhibit more stable financial performance, though efficiency varies across firms. The study provides valuable empirical evidence on resource-performance linkage; however, it is limited to the exploration segment and does not compare public and private sector firms directly, leaving scope for further comparative financial analysis.
2. **(Chakrabarti & Mitra, 2025):** This paper examines the financial performance of major public sector oil companies using ratio analysis and trend analysis. The study evaluates key indicators such as liquidity, profitability, solvency, and efficiency to assess overall financial health. Findings reveal that although public sector oil companies maintain financial stability and strong market presence, their profitability and operational efficiency show fluctuations due to regulatory controls and price volatility. The paper provides valuable insights into PSU performance; however, it focuses only on public sector firms and does not compare them with private sector petroleum companies.
3. **(Hothur & Reddy, 2022):** This paper evaluates the financial performance of selected Central Public Sector Enterprises using the DuPont analysis framework. The study decomposes return on equity into profitability, asset efficiency, and financial leverage components to assess overall performance. Findings reveal that variations in profitability and asset turnover significantly influence the financial strength of CPSEs, while leverage plays a secondary role. The paper effectively demonstrates the usefulness of DuPont analysis as a diagnostic tool for financial evaluation. However, the study is confined to public sector enterprises and does not include a comparative assessment with private sector firms.
4. **(Sanyal & Banerjee, 2024):** The paper evaluates the financial performance of public and private retail oil distribution companies in India from 2013 to 2023. It employs statistical tools like ANOVA to analyze profitability metrics (ROCE, ROA, ROE) and financial leverage (Debt-Equity Ratio). Findings indicate that private sector companies (RIL, Nayara Energy) outperform public sector firms (BPCL, HPCL, IOCL) in profitability, attributed to operational flexibility. Conversely, public sector companies exhibit lower financial leverage, reflecting conservative management. The study offers insights for investors and policymakers, emphasizing the need for balanced regulatory frameworks in the evolving energy sector.
5. **(Singh, 2023):** The paper analyzes the financial performance of five Maharatna oil companies in India: ONGC, IOCL, HPCL, BPCL, and GAIL, over five years. It employs various financial ratios, liquidity, leverage, profitability, and activity ratios to assess their financial health. The findings indicate a mixed trend in performance, with ONGC leading in profitability ratios, GAIL excelling in liquidity, and HPCL showing the highest leverage. The study emphasizes the importance of financial performance analysis for investors and stakeholders in understanding a company's economic status and operational efficiency.

RESEARCH METHODOLOGY

Research Gap: The researcher analyzes various previous research papers related with RIL and IOCL, after analyzing; a review of the literature reveals a significant research gap. Limited research papers are focused on an inter-company comparative financial performance analysis of Reliance Industries Limited and Indian Oil Corporation Limited. Therefore, we found notable gap new research. The present study exclusively focused on Comparative Financial Health Analysis of IOCL and RIL with using Various tools.

Research Objectives:

1. To analyze the overall financial performance of Reliance Industries Limited and Indian Oil Corporation Limited.
2. To compare the financial performance of RIL and IOCL.

3. To compare the liquidity position of RIL and IOCL.
4. To examine and compare the profitability performance of RIL and IOCL.
5. To evaluate and compare the operational efficiency of RIL and IOCL.

Research Hypothesis:

1. **H₀:** There is no significant difference between the overall financial performance of Reliance Industries Limited and Indian Oil Corporation Limited.
H₁: There is a significant difference between the overall financial performance of Reliance Industries Limited and Indian Oil Corporation Limited.
2. **H₀:** There is no significant difference between the liquidity position of Reliance Industries Limited and Indian Oil Corporation Limited.
H₁: There is a significant difference between the liquidity position of Reliance Industries Limited and Indian Oil Corporation Limited.
3. **H₀:** There is no significant difference between the profitability of Reliance Industries Limited and Indian Oil Corporation Limited.
H₁: There is a significant difference between the profitability of Reliance Industries Limited and Indian Oil Corporation Limited.
4. **H₀:** There is no significant difference in the operational efficiency of Reliance Industries Limited and Indian Oil Corporation Limited.
H₁: There is a significant difference in the operational efficiency of Reliance Industries Limited and Indian Oil Corporation Limited.

Methodology of the Study:

The present study applies Descriptive and Analytical methodology.

Sample Selection:

The researcher selected 2 major companies of Indian oil and gas sector, named as Reliance Industries Ltd. And Indian Oil Corporation Ltd. These 2 companies are selected based on their market presence and significant contribution to the Indian Oil and Gas sector. Both companies are publicly listed and leading private and public sector enterprises respectively, which makes them suitable for inter-company comparative financial performance analysis. The research covers a period of 6 years from 2019-20 to 2024-25, based on secondary data gathered from financials of the company.

Data Set:

The study applies secondary data which gathered from financial reports of RIL and IOCL, and the time period of used data in analysis is 2019-20 to 2024-25.

Tools to be used for Analysis:

The researcher employs ratio analysis as a mathematical tool and ANOVA (Analysis of Variance) as a statistical technique for conduct the study. Tools used in present study are discussed below:

Ratio Analysis:

A ratio is the relationship between 2 variables. Here, the Ratio Analysis means establishing the relationship between 2 variables of a financial statement to analyze the performance of company and company's health. For this study the researcher uses Profitability Ratio, Liquidity Ratio and Turnover Ratio. The description of these ratios given below:

RATIO NAME	FORMULA
PROFITABILITY RATIO	
NET PROFIT RATIO	$\frac{NET\ PROFIT}{NET\ SALES} \times 100$
OPERATING PROFIT RATIO	$\frac{OPEARTING\ PROFIT}{NET\ SALES} \times 100$

EARNING PER SHARE	$\frac{\text{NET PROFIT} - \text{Preference Share Dividend}}{\text{NO. OF SHARES}}$
LIQUIDITY RATIOS	
CURRENT RATIO	$\frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITIES}}$
QUICK RATIO	$\frac{\text{LIQUID ASSETS}}{\text{CURRENT LIABILITIES}}$ Liquid Assets=Current Assets - (Inventories + Prepaid Expenses)
ABSOLUTE LIQUIDITY RATIO	$\frac{\text{ABSOLUTE LIQUID ASSETS}}{\text{CURRENT LIABILITIES}}$ Absolute Liquid Assets= Cash and Cash Equivalents + Short-Term Investment
TURNOVER RATIO	
STOCK TURNOVER RATIO	$\frac{\text{NET SALES}}{\text{AVERAGE INEVENTORY}}$ Average Inventory= (Opening Inventory + Closing Inventory)/2
WORKING CAPITAL TURNOVER RATIO	$\frac{\text{NET SALES}}{\text{AVERAGE WORKING CAPITAL}}$ Average Working Capital = (Opening Working Capital + Closing Working Capital)/2
TOTAL ASSET TURNOVER RATIO	$\frac{\text{NET SALES}}{\text{AVERAGE TOTAL ASSET}}$ Average Total Asset= (Opening Total Asset + Closing Total Asset)/2

ANOVA (Analysis of Variance):

ANOVA is used to find out variance between 2 or more data set by comparing the mean of the data set. The model involving a test of significance of the difference in mean values between 2 or more groups.

Limitation Of the Study:

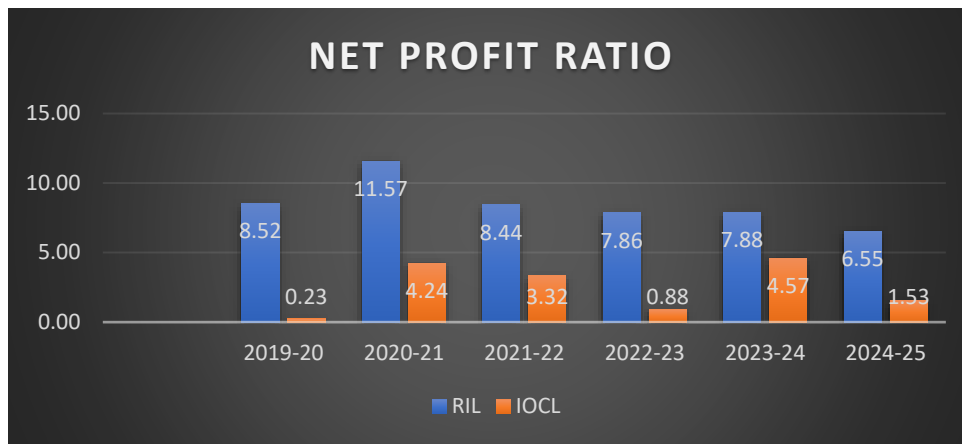
- The study is based on only Ratio Analysis, which is a single factor of financials performance of companies.
- The study does not focus upon emerging factors such as energy transition, digital transformation, and long-term environmental impacts.

DATA ANALYSIS & INTERPRETATION

A. PROFITABILITY RATIO

Table1 presenting the Net Profit Ratio of Reliance Industries Ltd. And Indian Oil Corporation Ltd.

NET PROFIT RATIO		
YEAR	RIL	IOCL
2019-20	8.52	0.23
2020-21	11.57	4.24
2021-22	8.44	3.32
2022-23	7.86	0.88
2023-24	7.88	4.57
2024-25	6.55	1.53



Interpretation:

The above table shows the net profit ratios of both RIL and IOCL:

- RIL's net profit ratio is consistently greater than from IOCL.
- IOCL's net profit presenting more fluctuation and less consistent.
- RIL is always better than IOCL it can be due to diversity in business of RIL.
- Overall, RIL's net profit Ratio presenting Growth and consistency in profits, whereas IOCL's profit was less consistent and poor than RIL.

Table 1.1 representing the ANOVA analysis for comparing the Net Profit Ratio of RIL, and IOCL:

SUMMARY				
Groups	Count	Sum	Average	Variance
RIL	6	50.81210526	8.46868421	2.800914458
IOCL	6	14.78030499	2.463384165	3.338318362

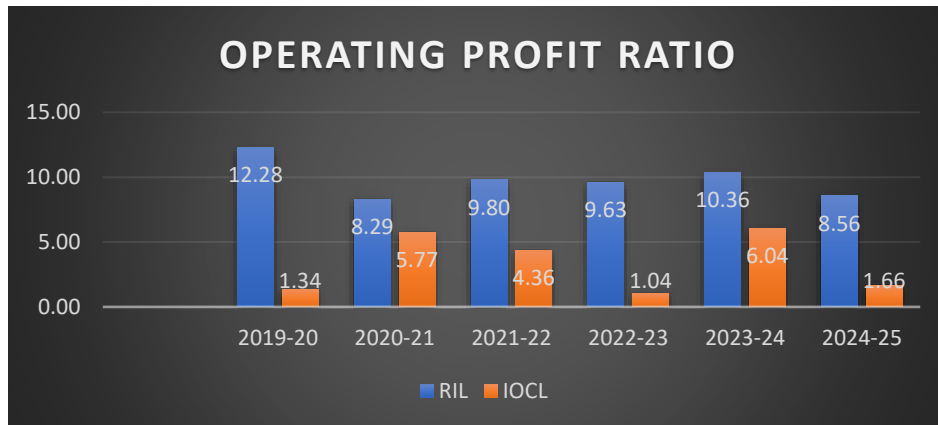
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	108.1908859	1	108.1908859	35.24573479	0.000143762	4.964602744
Within Groups	30.6961641	10	3.06961641			
Total	138.88705	11				

Interpretation:

- From the above table it is very clear that there is statistically significant difference in the Net (4.964602744).
- As the p-value (0.000143762) is less than the alpha value (0.05), represents the difference is not due to chance.
- So, we can say that the net profit ratio of RIL and IOCL is statistically significantly different.

Table2 presenting the Operating Profit Ratio of Reliance Industries Ltd. And Indian Oil Corporation Ltd.

OPERATING PROFIT RATIO		
YEAR	RIL	IOCL
2019-20	12.28	1.34
2020-21	8.29	5.77
2021-22	9.80	4.36
2022-23	9.63	1.04
2023-24	10.36	6.04
2024-25	8.56	1.66



Interpretation:

The above table shows the Operating Profit Ratios of both RIL and IOCL:

- RIL's operating profit ratio is consistently greater than IOCL.
- IOCL's operating profit ratio presenting less consistent, lower and more fluctuation.
- Table indicates that RIL's Non. Operating cost is less than the IOCL's Non. Operating cost.
- The Table indicates that RIL's Operational Efficiency is greater the IOCL's Operating Efficiency.

Table 2.1 representing the ANOVA analysis for comparing the Operating Profit Ratio of RIL, and IOCL:

SUMMARY				
Groups	Count	Sum	Average	Variance
RIL	6	58.93044732	9.821741219	2.056455079
IOCL	6	20.21159192	3.368598653	5.269154738

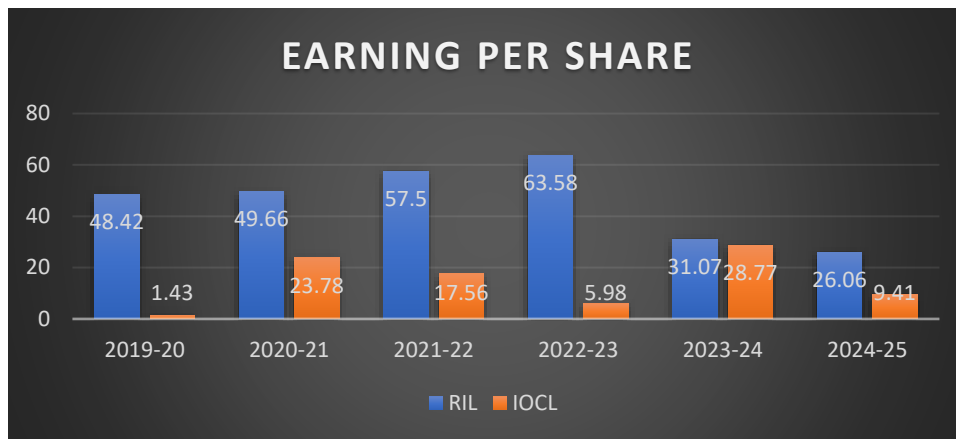
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	124.9291469	1	124.9291469	34.10750779	0.000163777	4.964602744
Within Groups	36.62804909	10	3.662804909			
Total	161.557196	11				

Interpretation:

- From the above table it is very clear that there is statistically significant difference in the Operating Profit Ratio of RIL and IOCL, as the p-value is (0.000163777) less than critical value (4.964602744).
- As the p-value (0.000163777) is less than the alpha value (0.05), represents the difference is not due to chance.
- So, we can say that the operating profit ratio of RIL and IOCL is statistically significantly different.

Table 3 representing the Earning Per Share of Reliance Industries Ltd. And Indian Oil Corporation Ltd:

EARNING PER SHARE		
YEAR	RIL	IOCL
2019-20	48.42	1.43
2020-21	49.66	23.78
2021-22	57.5	17.56
2022-23	63.58	5.98
2023-24	31.07	28.77
2024-25	26.06	9.41



Interpretation:

The above table shows the Earning Per Share of both RIL and IOCL:

- RIL's earning per share is consistently greater than IOCL.
- IOCL's earning per share is less consistent, lower and more fluctuations.
- RIL's EPS shows more confidence among investors, whereas IOCL's EPS shows less confidence among investors.
- The Table indicates that RIL is consistently perform better than IOCL.

Table 3.1 representing the ANOVA analysis for comparing the Earning Per Share of Reliance Industries Ltd. And Indian Oil Corporation Ltd:

SUMMARY				
Groups	Count	Sum	Average	Variance
RIL	6	276.29	46.04833333	216.2105767
IOCL	6	86.93	14.48833333	113.6874967

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	2988.1008	1	2988.1008	18.11529707	0.001673023	4.964602744
Within Groups	1649.490367	10	164.9490367			
Total	4637.591167	11				

Interpretation:

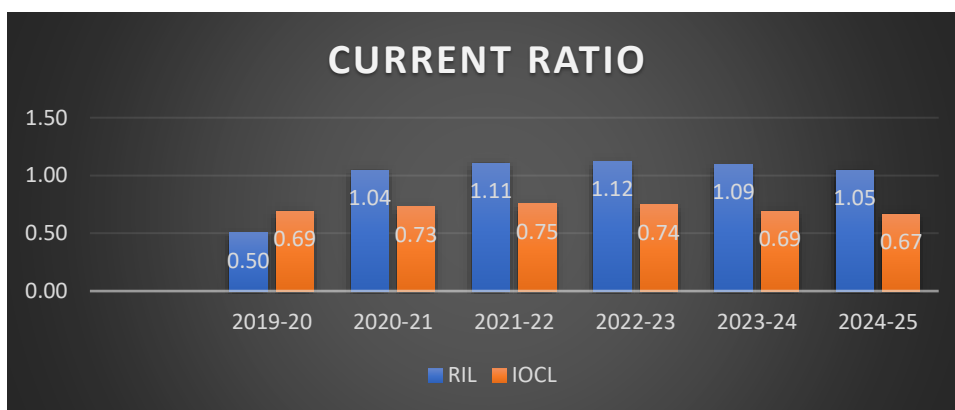
- From the above table it is very clear that there is statistically significant difference in the Earning Per Share of RIL and IOCL, as the p-value is (0.001673023) less than critical value (4.964602744).
- As the p-value (0.001673023) is less than the alpha value (0.05), represents the difference is not due to chance.
- So, we can say that the EPS of RIL and IOCL is statistically significantly different.

B. LIQUIDITY RATIO

Table1 representing the Current Ratio of Reliance Industries Ltd. And Indian Oil Corporation Ltd:

CURRENT RATIO		
YEAR	RIL	IOCL
2019-20	0.50	0.69
2020-21	1.04	0.73
2021-22	1.11	0.75
2022-23	1.12	0.74
2023-24	1.09	0.69
2024-25	1.05	0.67

Interpretation:



The above table shows the Current Ratios of both RIL and IOCL:

- RIL's current ratio representing consistent growth, which indicates a better ability to meet short term liability.
- IOCL's current ratio also representing consistent growth but lower then RIL.
- However, both companies do not maintain the standard of Current Ratio (2:1), but RIL is better performing then IOCL.

Table 1.1 representing the ANOVA analysis for comparing the Current Ratio of RIL, and IOCL:

SUMMARY				
Groups	Count	Sum	Average	Variance
RIL	6	5.914850762	0.98580846	0.056728665
IOCL	6	4.276882022	0.71281367	0.001195941

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.223578466	1	0.223578466	7.71963705	0.019503345	4.964602744
Within Groups	0.289623029	10	0.028962303			
Total	0.513201495	11				

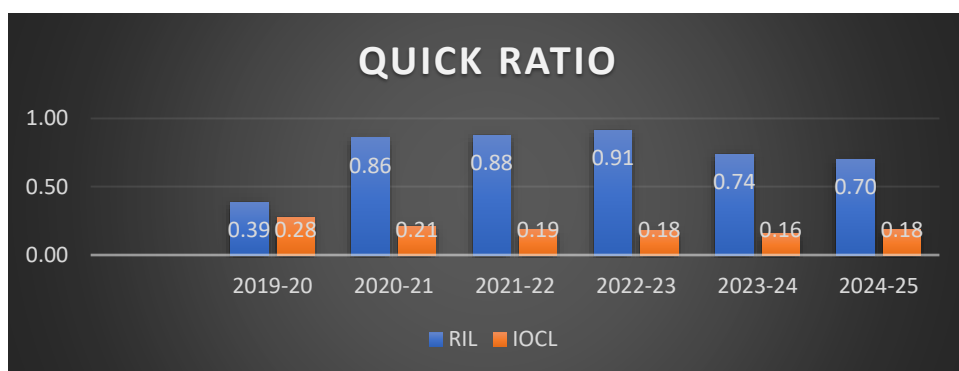
Interpretation:

- From the above table it is very clear that there is statistically significant difference in the Current Ratio of RIL and IOCL, as the p-value is (0.019503345) less than critical value (4.964602744).

- As the p-value (0.019503345) is less than the alpha value (0.05), represents the difference is not due to chance.
- So, we can say that the Current Ratio of RIL and IOCL is statistically significantly different.

Table 2 representing the Quick Ratio of Reliance Industries Ltd. And Indian Oil Corporation Ltd:

QUICK RATIO		
YEAR	RIL	IOCL
2019-20	0.39	0.28
2020-21	0.86	0.21
2021-22	0.88	0.19
2022-23	0.91	0.18
2023-24	0.74	0.16
2024-25	0.70	0.18



Interpretation:

The above table shows the Current Ratios of both RIL and IOCL:

- RIL representing greater consistency with a slight increase in their quick ratio.
- IOCL representing a slight decline in their quick ratio.
- However, both the companies do not meet standards (1:1), but RIL better performing then IOCL.

Table 2.1 representing the ANOVA analysis for comparing the Liquidity Ratio of RIL, and IOCL:

SUMMARY				
Groups	Count	Sum	Average	Variance
RIL	6	4.476844103	0.746140684	0.037988771
IOCL	6	1.193009694	0.198834949	0.001704187

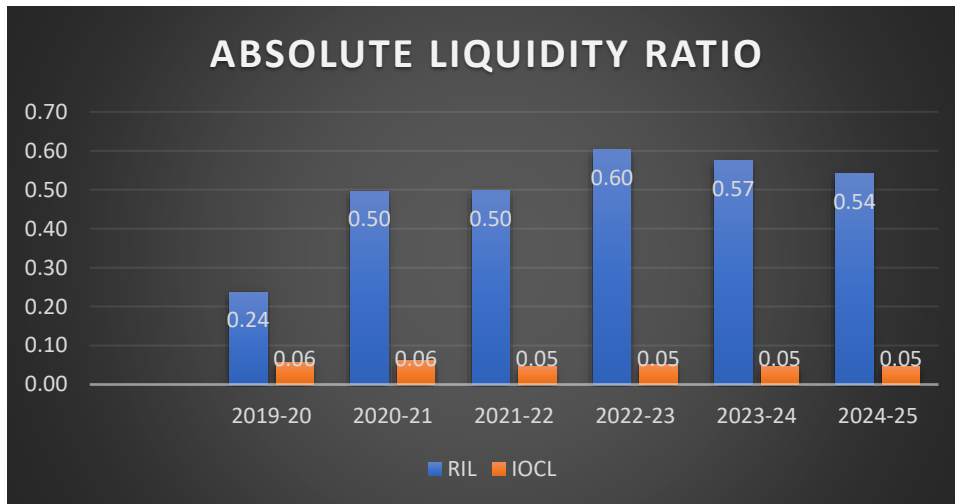
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.898630702	1	0.898630702	45.2790999	5.17512E-05	4.964602744
Within Groups	0.198464789	10	0.019846479			
Total	1.097095492	11				

Interpretation:

- From the above table it is very clear that there is statistically significant difference in the Quick Ratio of RIL and IOCL, as the p-value is (0.0000517) less than critical value (4.964602744).
- As the p-value (0.0000517) is less than the alpha value (0.05), represents the difference is not due to chance.
- So, we can say that the Quick Ratio of RIL and IOCL is statistically significantly different.

Table 3 representing the Absolute Liquidity Ratio of Reliance Industries Ltd. And Indian Oil Corporation Ltd:

ABSOLUTE LIQUIDITY RATIO		
YEAR	RIL	IOCL
2019-20	0.24	0.06
2020-21	0.50	0.06
2021-22	0.50	0.05
2022-23	0.60	0.05
2023-24	0.57	0.05
2024-25	0.54	0.05



Interpretation:

The above table shows the Absolute Liquidity Ratios of both RIL and IOCL:

- RIL representing a greater consistency with a slight decrease in last 2 years in their absolute liquidity ratio.
- IOCL representing a consistent but poor absolute liquidity ratio.
- RIL meets the standard (0.5:1) but IOCL do not meet the standards. RIL is performing better than IOCL.

Table 3.1 representing the ANOVA analysis for comparing the Absolute Liquidity Ratio of RIL, and IOCL:

SUMMARY				
Groups	Count	Sum	Average	Variance
RIL	6	2.949733236	0.491622206	0.017246764
IOCL	6	0.31049625	0.051749375	3.4918E-05

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.580464322	1	0.580464322	67.17683373	9.51798E-06	4.964602744
Within Groups	0.086408407	10	0.008640841			
Total	0.66687273	11				

Interpretation:

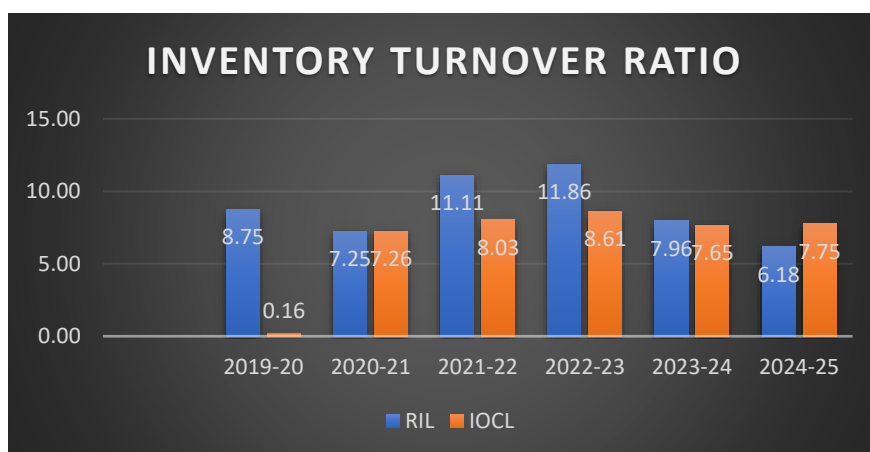
- From the above table it is very clear that there is statistically significant difference in the Absolute Liquidity Ratio of RIL and IOCL, as the p-value is (0.0000095) less than critical value (4.964602744).
- As the p-value (0.0000095) is less than the alpha value (0.05), represents the difference is not due to chance.
- So, we can say that the Absolute Liquidity Ratio of RIL and IOCL is statistically significantly different.

C. TURNOVER RATIO

Table 1 representing the Inventory Turnover Ratio of Reliance Industries Ltd. And Indian Oil Corporation Ltd:

Interpretation:

INVENTORY TURNOVER RATIO		
YEAR	RIL	IOCL
2019-20	8.75	0.16
2020-21	7.25	7.26
2021-22	11.11	8.03
2022-23	11.86	8.61
2023-24	7.96	7.65
2024-25	6.18	7.75



The above table shows the Inventory Turnover Ratios of both RIL and IOCL:

- RIL presenting the consistent and great inventory turnover ratio. However, a slight decrease in last 2 years.
- IOCL presenting a slight increase in turnover ratio which indicates that IOCL worked on its operational efficiency.
- Both companies performing well in case of inventory turnover.

Table 1.1 representing the ANOVA analysis for comparing the Inventory Turnover Ratio of RIL, and IOCL:

SUMMARY				
Groups	Count	Sum	Average	Variance
RIL	6	53.10135822	8.85022637	4.929459924
IOCL	6	39.46950796	6.578251327	10.09833583

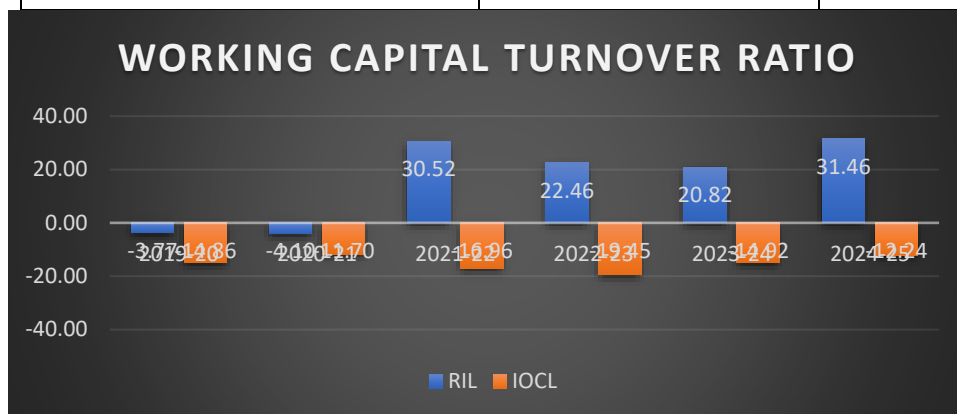
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	15.48561178	1	15.48561178	2.060929233	0.18164997	4.964602744
Within Groups	75.13897875	10	7.513897875			
Total	90.62459053	11				

Interpretation:

- From the above table it is very clear that there is no statistically significant difference in the Inventory Turnover Ratio of RIL and IOCL,
- As the p-value is 0.18164997 less than critical value (4.964602744).
- As the p-value (0.18164997) is greater than the alpha value (0.05), represents the difference can be due to chance.
- So, we can say that the Inventory Turnover Ratio of RIL and IOCL is not statistically significantly different.

Table 2 representing the Working Capital Turnover Ratio of Reliance Industries Ltd. And Indian Oil Corporation Ltd:

WORKING CAPITAL TURNOVER RATIO		
YEAR	RIL	IOCL
2019-20	-3.77	-14.86
2020-21	-4.10	-11.70
2021-22	30.52	-16.96
2022-23	22.46	-19.45
2023-24	20.82	-14.92
2024-25	31.46	-12.24



Interpretation:

The above table shows the Working Capital Turnover Ratios of both RIL and IOCL:

- RIL's presenting growth in their working capital turnover ratio, in starting the ratio is in negative but after that RIL's working capital ratio presenting a great growth.
- IOCL's working capital ratio is negative that represents the inefficient use of working capital.
- Overall, RIL presenting growth and IOCL stuck negatively.

Table 2.1 representing the ANOVA analysis for comparing the Working Capital Turnover Ratio of RIL, and IOCL:

SUMMARY				
Groups	Count	Sum	Average	Variance
RIL	6	97.38103778	16.23017296	261.8107061
IOCL	6	-90.1305537	-15.0217589	8.440470685

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	2930.049744	1	2930.049744	21.68389998	0.000898961	4.964602744
Within Groups	1351.255884	10	135.1255884			
Total	4281.305627	11				

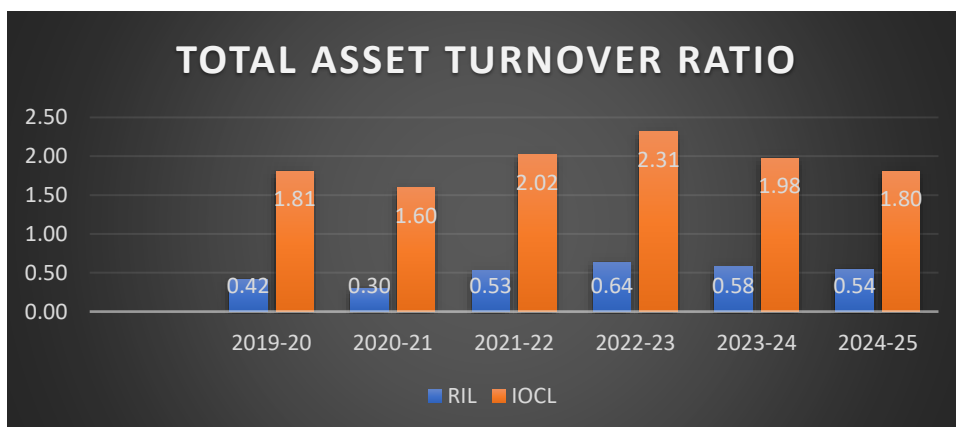
Interpretation:

- From the above table it is very clear that there is statistically significant difference in the Working Capital Ratio of RIL and IOCL, as the p-value is (0.000898961) less than critical value (4.964602744).
- As the p-value (0.000898961) is less than the alpha value (0.05), represents the difference is not due to chance.
- So, we can say that the Working Capital Turnover Ratio of RIL and IOCL is statistically significantly different.

Table 3 representing the Total Asset Turnover Ratio of Reliance Industries Ltd. And Indian Oil Corporation Ltd:

TOTAL ASSET TURNOVER RATIO		
YEAR	RIL	IOCL
2019-20	0.42	1.81
2020-21	0.30	1.60
2021-22	0.53	2.02
2022-23	0.64	2.31
2023-24	0.58	1.98
2024-25	0.54	1.80

Interpretation:



The above table shows the Total Asset Turnover Ratios of both RIL and IOCL:

- The table indicates that RIL's total asset turnover ratio is consistently lower. The represents that RIL do not efficiently utilize their asset in generating sales.\
- IOCL's total asset turnover ratio indicates consistent growth with a slight decrease in last 2 year.
- Overall, IOCL utilizing their assets efficiently in comparison to RIL

Table 3.1 representing the ANOVA analysis for comparing the Total Asset Turnover Ratio of RIL, and IOCL:

SUMMARY				
Groups	Count	Sum	Average	Variance
RIL	6	3.00003588	0.50000598	0.014824094
IOCL	6	11.51300141	1.918833568	0.059629336

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	6.039215175	1	6.039215175	162.2279912	1.6648E-07	4.964602744
Within Groups	0.372267149	10	0.037226715			
Total	6.411482324	11				

Interpretation:

- From the above table it is very clear that there is statistically significant difference in the Total Asset Turnover Ratio of RIL and IOCL, as the p-value is (0.000000166) less than critical value (4.964602744).
- As the p-value (0.000000166) is less than the alpha value (0.05), represents the difference is not due to chance.
- So, we can say that the Total Asset Turnover Ratio of RIL and IOCL is statistically significantly different.

Hypothesis Testing

PROFITABILITY RATIO			
H₀: There is no significant difference between the profitability of Reliance Industries Limited and Indian Oil Corporation Limited.			
H₁: There is a significant difference between the profitability of Reliance Industries Limited and Indian Oil Corporation Limited.			
RATIO NAME	P-VALUE	SIGNIFICANCE LEVEL (ALPHA)	INTERPRETATION
Net Profit Ratio	0.000143762	0.05	P-Value < Alpha
Operating Profit Ratio	0.000163777	0.05	P-Value < Alpha
Earnings Per Share	0.001673023	0.05	P-Value < Alpha
Hypothesis Accepted: After applying the Anova test the researcher found that 3 major Profitability Ratio of RIL and IOCL are statistically significantly Different. So, we can say the there is a significant difference between the Profitability of RIL and IOCL. So, we reject the null hypothesis (H ₀).			
LIQUIDITY RATIO			
H₀: There is no significant difference between the liquidity position of Reliance Industries Limited and Indian Oil Corporation Limited.			
H₁: There is a significant difference between the liquidity position of Reliance Industries Limited and Indian Oil Corporation Limited.			
RATIO NAME	P-VALUE	SIGNIFICANCE LEVEL (ALPHA)	INTERPRETATION
Current Ratio	0.019503345	0.05	P-Value < Alpha
Quick Ratio	0.0000517	0.05	P-Value < Alpha
Absolute Liquidity Ratio	0.0000095	0.05	P-Value < Alpha
Hypothesis Accepted: After applying the Anova test the researcher found that 3 major Liquidity Ratio of RIL and IOCL are statistically significantly different. So, we can say the there is a significant difference between the Liquidity of RIL and IOCL. So, we reject the null hypothesis (H ₀).			
TURNOVER RATIO			
H₀: There is no significant difference in the operational efficiency of Reliance Industries Limited and Indian Oil Corporation Limited.			
H₁: There is a significant difference in the operational efficiency of Reliance Industries Limited and Indian Oil Corporation Limited.			
RATIO NAME	P-VALUE	SIGNIFICANCE LEVEL (ALPHA)	INTERPRETATION
Stock Turnover Ratio	0.18164997	0.05	P-Value > Alpha
Working Capital Turnover Ratio	0.000898961	0.05	P-Value < Alpha
Total Asset Turnover Ratio	0.000000166	0.05	P-Value < Alpha
Hypothesis Accepted: After applying the Anova test the researcher found that 2 major Turnover Ratio of RIL and IOCL are statistically significantly different, but difference of Stock Turnover Raio between both companies is not statistically proven the difference can be possible due to chance. However, 2 ratios are statistically significantly different. So, we can say the there is a significant difference between the Operational Efficiency of RIL and IOCL. So, we reject the null hypothesis (H ₀)			

H₀: There is no significant difference between the overall financial performance of Reliance Industries Limited and Indian Oil Corporation Limited.

H₁: There is a significant difference between the overall financial performance of Reliance Industries Limited and Indian Oil Corporation Limited.

As the table represent the hypothesis testing result the researcher found that there is statistically significant difference between the Profitability, Liquidity and Operational Efficiency position. So, we can say that there is statistically significant difference between the overall financial performance of RIL and IOCL. So, we reject the null hypothesis (H₀).

SUMMARY OF FINDINGS

Summary of Findings: Reliance Industries Ltd.:

- Analysis indicates that RIL's financials presents consistently greater profitability ratios, indicates strong and stable profit earning performance.
- RIL's financials indicates good liquidity positions and better then IOCL, but RIL do not achieve the prefix standards of Liquidity Ratio.
- RIL's EPS are consistently higher indicating greater investor confidence.
- RIL's overall operational efficiency is better but RIL's total asset turnover ratio representing inefficient utilization of assets in creating sales.
- Overall RIL's financials representing a consistent growth.

Summary of Findings: Indian Oil Corporation Ltd.:

- Analysis indicates that IOCL's financial representing lower and more fluctuating profitability ratios, indicates that poor and unstable profit earning performance.
- IOCL's financials indicates that poor liquidity position, and also the company consistently below prefixed standards.
- IOCL's EPS are consistently poor and fluctuating, indicating comparatively lower investor confidence.
- IOCL's overall operational efficiency is poor but IOCL's total asset turnover ratio representing efficient utilization of assets in creating sales.
- Overall, IOCL's financials representing poor financial health.

CONCLUSION

A comparative analysis of the financial performance of Reliance industries Ltd. And Indian Oil Corporation Ltd. Clearly reveals significant differences in the financial positions of the two companies over the study period. The findings indicate that RIL consistently outperformed than IOCL due to its diversified business model, strong financial stability, and effective resource management. On the other hand, IOCL's financial performance was marginally more volatile, primarily due to lower profit margins and limited liquidity, although it performed better overall in some areas. A statistical tool ANOVA confirmed that most investors in the 2 firms are quite different. Overall, the study concludes that RIL has a stronger financial position and shows more stable growth compared to IOCL, while IOCL needs to improve its creditworthiness, liquidity management and business partners to strengthen its position in the Indian OIL and Gas Sector.

SUGGESTIONS

Reliance Industries Ltd:

- RIL should improve its overall asset utilization to generate more sales from its large asset base.
- RIL should be focus on controlling operating cost to further strengthen profit margin.

- RIL should increase investment on sustainable energy and innovation can boost investor financial growth and market.
- RIL should focus on maintain liquidity standards to meet ideal financial benchmark.
- RIL may continue to diversify its business operations to maintain profitability and mitigate sector-specific risk.

Indian Oil Corporation Ltd.:

- IOCL should focus on improving profits by through reducing unnecessary expenses and making its day to day operations more efficient.
- IOCL needs to build up its liquidity position stronger, so that it can manage short-term financial obligations more effectively.
- IOCL needs to expend into new business areas beyond traditional oil businesses, it can help ion reducing risk and maintain stable revenue.
- IOCL needs to invest more in modernization, advanced technology, and renewable energy, it can help in achieving stronger growth and remaining competitive.

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