

A
Project Report
on
“FINANCIAL ANALYSIS OF TELECOM SECTOR WITH
REFERENCE TO RELIANCE-JIO”

Submitted to
G. S. College of Commerce & Economics (Autonomous),
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Bachelor of Business Administration

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Academic Year 2022 – 23



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CERTIFICATE

This is to certify that “ **ADITYA A. GAIKWAD** ” has submitted the project report titled “ **FINANCIAL ANALYSIS OF TELECOM SECTOR WITH REFERENCE TO RELIANCE-JIO** ” towards partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he has ingeniously completed his project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

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DECLARATION

I here-by declare that the project with title “ **FINANCIAL ANALYSIS OF TELECOM SECTOR WITH REFERENCE TO RELIANCE-JIO** ” has been completed by me in partial fulfillment of ‘ **BACHELOR OF BUSINESS ADMINISTRATION** ’ degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

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CHAPTER 1 **INTRODUCTION**

Meaning of Financial Statement

Financial statements refer to such statements which contain financial information about an enterprise. They report profitability and the financial position of the business at the end of an accounting period. The term financial statement includes at least two statements which the accountant prepares at the end of an accounting period. The two statements are: -

- **The Balance Sheet**
- **Profit And Loss Account**

They provide some extremely useful information to the extent that the balance sheet mirrors the financial position on a particular date in terms of the structure of assets, liabilities and owners equity, and so on and the Profit and Loss account shows the results of operations during a certain period of time in terms of the revenues obtained and the cost incurred during the year.

Thus the financial statement provides a summarized view of financial position and operations of a firm.

Meaning of Financial Analysis

The first task of financial analysis is to select the information relevant to the decision under consideration from the total information contained in the financial statement. The second step is to arrange the information in a way to highlight significant relationships. The final step is interpretation and drawing of inferences and conclusions. Financial statement analysis is the process of selection, relation and evaluation.

Features of Financial Analysis

- To present a complex data contained in the financial statement in simple and understandable form.
- To classify the items contained in the financial statement in convenient and rational groups.
- To make comparison between various groups to draw various conclusions.

Purpose of Analysis of financial statements

- To know the earning capacity or profitability.
- To know the solvency.
- To know the financial strengths.
- To know the capability of payment of interest & dividends.
- To make comparative study with other firms.
- To know the trend of business.
- To know the efficiency of management.
- To provide useful information to management.

Procedure of Financial Statement Analysis

- The following procedure is adopted for the analysis and interpretation of financial statement.
- The analyst should acquaint himself with principles and postulated of accounting. He should know the plans and policies of the managements that he may be able to find out whether these plans are properly executed or not.
- The extent of analysis should be determined so that the sphere of work may be decided. If the aim is find out. Earning capacity of the enterprise then analysis of income statement will be undertaken. On the other hand, if financial position is to be studied then balance sheet analysis will be necessary.
- The financial data be given in statement should be recognized and rearranged. It will involve the grouping similar data under same heads. Breaking down of individual components of statement according to nature. The data is reduced to a

standard form. A relationship is established among financial statements with the help of tools & techniques of analysis such as ratio, trends, common size, fund flow etc.

- The information is interpreted in a simple and understandable way. The significance and utility of financial data is explained for help in decision making.
- The conclusion drawn from interpretation are presented to the management in the form of reports.

Analyzing financial statements involves evaluating three characteristics of a company: its liquidity, its profitability, and its solvency. A short-term creditor, such as a bank, is primarily interested in the ability of the borrower to pay obligations when they come due. The liquidity of the borrower is extremely important in evaluating the safety of a loan. A long-term creditor, such as a bondholder, however, looks to profitability and solvency measures that indicate the company's ability to survive over a long period of time. Long-term creditors consider such measures as the amount of debt in the company's capital structure and its ability to meet interest payments. Similarly, stockholders are interested in the profitability and solvency of the company. They want to assess the likelihood of dividends and the growth potential of the stock.

Tools of Financial Statement Analysis

Various tools are used to evaluate the significance of financial statement data. Three commonly used tools are these:

- **Ratio Analysis**
- **Funds Flow Analysis**
- **Cash Flow Analysis**

Ratio Analysis:

Fundamental Analysis has a very broad scope. One aspect looks at the general (qualitative) factors of a company. The other side considers tangible and measurable factors (quantitative). This means crunching and analyzing numbers from the financial statements. If used in conjunction with other methods, quantitative analysis can produce excellent results. Ratio analysis isn't just comparing different numbers from the balance sheet, income statement, cash flow statement. It's comparing the number against previous years, other companies, the industry, or even the economy in general. Ratios look at the relationship between individual values and relate them to how a company has performed in the past, and might perform in the future.

Meaning of Ratio:

A ratio is one figure expressed in terms of another figure. It is a mathematical yardstick that measures the relationship between two figures, which are related to each other and mutually interdependent. Ratio is expressed by dividing one figure by the other related figure. Thus a ratio is an expression relating one number to another. It is simply the quotient of two numbers. It can be expressed as a fraction or as a decimal or as a pure ratio or in absolute figures as "so many times". An accounting ratio is an expression relating two figures or accounts or two sets of account heads or groups contained in the financial statements.

Meaning of Ratio Analysis

Ratio analysis is the method or process by which the relationship of items or groups of items in the financial statement are computed, determined and presented. Ratio analysis is an attempt to derive quantitative measures or guides concerning the financial health and profitability of business enterprises. Ratio analysis can be used both in trend and static analysis. There are several ratios at the disposal of an analyst but their group of ratios he would prefer depends on the purpose and the objective of analysis.

While a detailed explanation of ratio analysis is beyond the scope of this section, we will focus on a technique, which is easy to use. It can provide you with a valuable investment analysis tool.

This technique is called cross-sectional analysis. Cross-sectional analysis compares

financial ratios of several companies from the same industry. Ratio analysis can provide valuable information about a company's financial health. A financial ratio measures a Company's performance in a specific area. For example, you could use a ratio of a company's debt to its equity to measure a company's leverage. By comparing the leverage ratios of two companies, you can determine which company uses greater debt in the conduct of its business. A company whose leverage ratio is higher than a competitor's has more debt per equity. You can use this information to make a judgment as to which company is a better investment risk.

However, you must be careful not to place too much importance on one ratio. You obtain a better indication of the direction in which a company is moving when several ratios are taken as group.

Fund Flow Analysis

Fund may be interpreted in various ways as:

- (a) Cash,
- (b) Total current assets,
- (c) Net working capital,
- (d) Net current assets.

For the purpose of fund flow statement the term means net working capital. The flow of fund will occur in a business, when a transaction results in a change i.e., increase or decrease in the amount of fund.

According to Robert Anthony the funds flow statement describes the sources from which additional funds were derived and the uses to which these funds were put.

In short, it is a technical device designed to highlight the changes in the financial condition of a business enterprise between two balance sheet.

Cash Flow Analysis

Cash is a life blood of business. It is an important tool of cash planning and control. A firm receives cash from various sources like sales, debtors, sale of assets investments etc. Likewise, the firm needs cash to make payment to salaries, rent dividend, interest etc. Cash flow statement reveals that inflow and outflow of cash during a particular period. It is prepared on the basis of historical data showing the inflow and outflow of cash.

Objectives of CFS

- To show the causes of changes in cash balance between the balance sheet dates.
- To show the factors contributing to the reduction of cash balance in spite of increasing of profit or decreasing profit.

Uses of CFS

1. It explains the reasons for low cash balance.
2. It shows the major sources and uses of cash.
3. It helps in short term financial decisions relating to liquidity.
4. It helps the management in planning the repayment of loans, credit arrangements etc.
5. From the past year statements projections can be made for the future.

CHAPTER 2
COMPANY PROFILE

Company Profile



Reliance Jio Infocomm Limited, Jio, is an Indian telecommunications company and wholly owned subsidiary of Reliance Industries, headquartered in Mumbai, Maharashtra, India. It operates a national LTE network with coverage across all 22 telecom circles. It does not offer 2G or 3G service, and instead uses only voice over LTE to provide voice service on its 4G network.

Jio soft launched on 27 December 2015 with a beta for partners and employees, and became publicly available on 5 September 2016. As of 31 December 2019, it is the largest mobile network operator in India and the third largest mobile network operator in the world with over 370.07 million subscribers. It is also the fourth largest provider of fixed telephony in Country.

In September 2019, Jio launched a fiber to the home service, offering home broadband, television, and telephone services.

Reliance Jio Infocomm Limited was formerly known as Infotel Broadband Services Limited and changed its name to Reliance Jio Infocomm Limited in January 2013. The company was incorporated in 2007 and is based in Mumbai, India.

Company Establishment

Jio was established on 15th February, 2007. After, Reliance became popular and launched Jio as the fastest network service provider. Jio reached in every corner of India. The company motive is to provide digital platform to the world. Jio launched many services include entertainment services, social benefits, internet services, broadband, etc. in 2016, the company launched Jio apps, like Jio browser, Jio meet, Jio tv, Jio security, JioSaavan, Jio cinema, Jio cloud, Jio news, Jio health, etc. Jio has signed on more than 340 million customers by offering free domestic calls and data service.

The main founder of Jio is MukeshAmbani. He is the chairman and managing director of Reliance company. MukeshAmbani is an Indian billionaire businessman. He is currently the richest man in Asia with networth of US\$1.6 billion and he is listed as fifth richest man in world. He is a successful man. Ambani was born on 19th April, 1957. Ambani is famous in over the world. He is also focused on development of country. He also provide social benefits to people. On 2016, he is honored as Other Gold Medal by Chemical Heritage Foundation.

Jio mission is to make a digital India and to ensure Indian's have highest quality and highest quantity data at affordable prices. The Jio target is to reach in each and every corner of the world. Reliance launched Jio with a target that it will be the largest telecom industry in the world. In 2020, the total networth of Jio Rs.18,632 crore (US\$2.6billion).

History

The company was registered in Ambawadi, Ahmedabad (Gujarat) on 15 February 2017 as Reliance Jio Infocomm Limited. In June 2010, Reliance Industries (RIL) bought a 95% stake in Infotel Broadband Services Limited (IBSL) for ₹4,800 crore (US\$670 million). Although unlisted, IBSL was the only company that won broadband spectrum in all 22 circles in India in the 4G auction that took place earlier that year. Later continuing as RIL's telecom subsidiary, Infotel Broadband Services Limited was renamed as Reliance Jio Infocomm Limited (RJIL) in January 2013.

In June 2015, Jio announced that it would start its operations throughout the country by the end of 2015. However, four months later in October, the company postponed the launch to the first quarter of the financial year 2016–2017.

Later, in July 2015, a PIL filed in the Supreme Court by an NGO called the Centre for Public Interest Litigation, through Prashant Bhushan, challenged the grant of a pan-India licence to Jio by the Government of India. The PIL also alleged that the firm was being allowed to provide voice telephony along with its 4G data service, by paying an additional fee of just ₹165.8 crore (US\$23 million) which was arbitrary and unreasonable, and contributed to a loss of ₹2,284.2 crore (US\$320 million) to the exchequer. The Indian Department of Telecommunications (DoT), however, explained that the rules for 3G and BWA spectrum didn't restrict BWA winners from providing voice telephony. As a result, the PIL was revoked, and the accusations were dismissed.

The 4G services were launched internally on 27 December 2015. The company commercially launched its 4G services on 5 September 2016. Within the first month, Jio announced that it had acquired 16 million subscribers. Jio crossed 50 million subscriber mark in 83 days since its launch, subsequently crossing 100 million subscribers on 22 February 2017. By October 2017 it had about 130 million subscribers.

Partnerships

Jio shares spectrum with Reliance Communications. The sharing deal is for 800 MHz band across seven circles other than the 10 circles for which Jio already owns.


In September 2016, Jio signed a pact with BSNL for intra-circle roaming which would enable users of the operators to use each other's 4G and 2G spectrum in national roaming mode.

In February 2017, Jio announced a partnership with Samsung to work on LTE - Advanced Pro and 5G.



Jio's headquarters in RCP, Navi Mumbai

| | |
|-----------------|--|
| Type | <u>Subsidiary of Reliance Industries</u> |
| Industry | <u>Telecommunications</u> |
| Founded | 15 February 2007; 16 years ago |
| Founder | <u>Mukesh Ambani</u> |

| | |
|--------------------------------|--|
| Headquarters | Reliance Corporate Park, Ghansoli, Navi Mumbai, Maharashtra India |
| Area served | India |
| Key people | <u>Akash Ambani</u> (Chairman) <u>Sandip Das</u> (Managing Director) |
| Products | <u>Fixed-line telephone</u> <u>Mobile telephony</u> <u>Wireless broadband</u> <u>Internet services</u> <u>Mobile phones</u> <u>OTT services</u> |
| Revenue | ▲ ₹90,287 crore (US\$11 billion) (FY 2020–21) |
| <u>Operating income</u> | ▲ ₹34,035 crore (US\$4.3 billion) (FY 2020–21) ^[2] |
| <u>Net income</u> | ▲ ₹12,537 crore (US\$1.6 billion) (FY 2020–21) ^[2] |
| <u>Total assets</u> | ▲ ₹305,965 crore (US\$38 billion) (FY 2020–21) ^[2] |
| Members | ▲ 42.62 crore (426.2 million) (31 March) ^{[2][3]} |
| <u>Parent</u> | <u>Jio Platforms</u> ^[4] |
| <u>Subsidiaries</u> | <u>LYF</u> |
| Website | <u>www.jio.com</u>  |

Products And services

➤ **Mobile broadband**



The company launched its 4G broadband services throughout India in September 2016. It was slated to release in December 2015 after some reports said that the company was waiting to receive final permits from the government. Jio offers fourth-generation (4G) data and voice services, along with peripheral services like instant messaging and streaming movies and music.

➤ **Jio Fiber**



In August 2018, Jio began to test a new triple play fiber to the home service known tentatively as Jio GigaFiber, including broadband internet with speeds ranging from 100Mbps to 1 Gbps, as well as television and landline telephone services.

In August 2019, it was announced that the service would officially launch on 5 September 2019 as JioFiber, in honour of the company's third anniversary. Jio also announced plans to offer streaming of films still in theatres ("First Day First Show") to eligible Jio Fiber subscribers.

The company has a network of more than 250,000 km of fiber optic cables in the country, over which it will be partnering with local cable operators to get broader connectivity for its broadband services.

➤ Devices

Jio has also marketed co-branded mobile phones.



LYF smartphones

Main article: LYF

An image of LYF WATER 2 phone with IPS display.

In June 2015, Jio entered into an agreement with domestic handset maker Intex to supply 4G handsets capable of voice over LTE (VoLTE). However, in October 2015, Jio announced that it would be launching its own mobile handset brand named LYF.

On 25 January 2016, the company launched its LYF smartphone series starting with Water 1, through its chain of electronic retail outlets, Reliance Retail. Three more handset models have been released so far, namely Water 2, Earth 1, and Flame 1.

➤ Jio Phone



Illustration of a Jio Phone

JioPhone is a line of feature phones marketed by Jio. The first model, released in August 2017 (with public pre-orders beginning 24 August 2017), was positioned as an “affordable” LTE-compatible feature phone. It runs the KaiOS platform (derived from the defunct Firefox OS), and includes a 2.4-inch display, a dual-core processor, 4 GB of internal storage, near-field communication support, a suite of Jio-branded apps (including the voice assistant Hello Jio), and a Jio-branded application store. It also supports a “TV cable” accessory for output to an external display.

In July 2018, the company unveiled the JioPhone 2, an updated model in a keyboard bar form factor with a QWERTY keyboard and horizontal display. Jio also announced that Facebook, WhatsApp, and YouTube apps would become available for the two phones.

➤ **Jionet WiFi**

Prior to its pan-India launch of 4G data and telephony services, the firm has started providing free Wi-Fi hotspot services in cities throughout India including Surat, Ahmedabad in Gujarat, and Visakhapatnam in Andhra Pradesh, Indore, Jabalpur, Dewas and Ujjain in Madhya Pradesh, select locations of Mumbai in Maharashtra, Kolkata in West Bengal, Lucknow in Uttar Pradesh, Bhubaneswar in Odisha, Mussoorie in Uttarakhand, Collectorate's Office in Meerut, and at MG Road in Vijayawada among others.

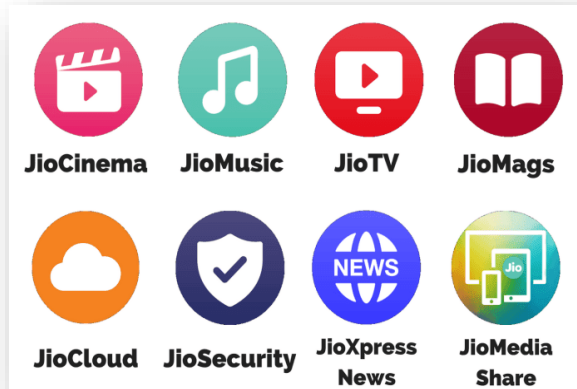
➤ **Jio sim card**



Jio sim card pouch as distributed by Reliance Jio Infocomm

In May 2016, Jio launched a bundle of multimedia apps on Google Play as part of its upcoming 4G services. While the apps are available to download for everyone, a user will require a Jio SIM card to use them.

➤ **Jio apps**



Additionally, most of the apps are in the beta phase.

Notable apps include:

JioChat - instant messaging app

JioCinema - online HD video library

JioCloud - cloud-based backup tool

JioMags - e-reader for magazines

JioMoney Wallet - online payments/wallet app

JioSaavn (earlier, JioMusic) - for online and offline music streaming in English and Indian languages

JioSecurity - security app

Jio4GVoice (earlier, JioJoin) - VoLTE phone simulator

MyJio - manage Jio account and digital services associated with it.

➤ **Jiofi**



Jio has also launched Wi-Fi routers by the name JioFi.

1. Enjoy the 4G speed.
2. Easy use for high definition videos and voice calling.
3. Also, you get the super speed of 4G data on your smartphone, laptops, and tablets.
4. You get an excellent battery backup for 5 to 6 hours.
5. It is lightweight and can be easily carried anywhere.
6. More than 10 devices and smartphones can be connected with a JioFi 4 device for an excellent performance.

Now with the latest JioFi 4 Hotspot Portable device, you can make HD video calls and audio calls easily from any place without any network connectivity issue. Best if you are in a conference call or in some office meetings.

Battery Performance

JioFi 4 has an in-built battery capacity of 2600 mAh which is similar to JioFi 2. Also, it can offer 6-7 hours of usage time.

Built & Design

The JioFi 4 has the OLED display and is bigger than the previous model. Made of matte finish body having the icons and power button on the front.

Connectivity

With the JioFi 4 WiFi Router, you can connect to a maximum of 32 devices. Also, if you are running on a 2G & 3G network you can connect 32 devices. But for good performance, it is recommended to have a connection to 10 devices. You can easily connect your mobiles, laptops, and tablets using JioFi 4 router which will give you 4G speed.

CHAPTER 3
LITERATURE REVIEW

Literature review



The Effect on the Telecom Industry and Consumers after the Introduction of Reliance Jio
Elaborate on the direct impacts of reliance jio on the telecom industry through quantitative analysis using primary and secondary research. It has been noted that the consumers were tempted to shift to Jio because of the tariff plans offered by it. It also discusses how jio has been able to make data a necessity among the people. The average data consumption has reached worldwide high in India because of this. The findings and analysis of this paper show that the market structure remains unchanged even after the launch of Jio but the competitiveness has reached new heights in the sector which has resulted in market consolidation also. The analysis of the impact of Jio on the telecom sector and stock market is analyzed using quantitative analysis using secondary data. through this research. It has been able to conclude that the impact of Jio on the Indian telecom sector was only for a short period. Using variance decomposition it has been proved that in 2018-19, Jio influenced 2.94% of the market but it dropped to 0.15% in 2020-21.

It has also been noted that even when there was a drop in stock prices of Jio it has had no impact on the telecom sector as a whole. In an emerging market case study on the different aspects of Reliance Jio. It has been briefed about Reliance Industries Limited (RIL) and its subsidiaries including petrochemicals, retail, textiles, global corporate security and Reliance Communications. It has then focused in detail on Reliance Jio Infocomm Limited covering the telecom operations, applications developed by Jio, and also the network and technologies used in it. It also throws light on the tariff plans offered by Jio and its competitors. The strategic direction followed by Jio has also been covered along with future possibilities. In an article, it has been elaborated on how Jio has sparked disruption in the Indian market. Telecom operators have been expanding their functionalities to various domains other than basic wireless, wired, and broadband services. The recent years have seen the emergence of Over The Top (OTT) platforms having a large pool of contents, payment applications, instant messaging, and many more. One of the major reasons for this can be accounted to 4G technology. In India, Jio being the first to introduce 4G forced other operators in the market to start making 4G available. Moreover, Jio also happened to be the first operator to introduce various applications in the above-mentioned service domains and hence this forced the rest of the operators to enhance their infrastructure.

CHAPTER 4
RESEARCH STUDY

Research study

- Research is defined as a systematic, gathering recording and analysis of data about problem relating to any particular field.
- It determines strength reliability and accuracy of the project.

In the present scenario, the competition among businesses operative inside the telecommunication business of India has become terribly intense, and currently it's become terribly difficult for firms to sustain within the marketplace. Currently, India has been recognised as the second largest and additionally the foremost potential communication sector within the world. It's usually expressed that a considerable range of the subscriber base of 1.19 Billion is that the crucial issue that has contributed to such rising and development of the Indian Telecommunication business. The present study depends on Reliance Jio Infocomm restricted which is popularly stated as Reliance Jio whose entry has resulted in making a change of the complete telecommunication business of the country. Reliance Jio is to boot thought-about because the game changer within the whole market, and its entry has adversely affected the sales, profits, market share and client base of the present market players like Airtel, Idea, Vodafone and BSNL. The services offered by Reliance Jio are innovative, highly satisfactory and at a similar time, the complete has used a low value strategy. The results of this can be that Reliance Jio has been ready to penetrate the Indian telecommunication business inside a brief span of your time. This paper aims to analyse the impact of jio on telecommunication business in India . the kind of research used is empirical research and a convenient sampling methodology is employed as a sampling methodology.

Objectives

- To study on financial analysis of Reliance jio infocomm limited.
- To familiarize with the various services provided by Jio.
- To know most preferred service in jio.
- To Know Rate service quality of jio.

Hypothesis

H0: There is no significant increase in the financial performance of reliance-jio over study period.

H1: There is significant increase in the financial performance of reliance- jio over study period.

SCOPE OF STUDY

- **Future driven technology-** Reliance jio uses VoLTE 4G network which is scalable to accommodate 5G and 6G technologies. This offers numerous avenues to Jio or future expansion of bandwidth.
- **Apps-** Reliance Jio has Volte which has a lot of scope in terms of bandwidth. Thus they can offer apps to customers which are chargeable or even free initially and pay per use later.
- low- • **Competitive Pricing Strategies-**Reliance Jio prides itself on being a
- **Competitive Pricing Strategies** –Jio prides itself on being a low-cost Internet service provider and mobile operator. This can be used as positioning to target more markets and grow their market share since most of their competitors' cannot afford their prices.
- only • **Expansion to other countries-** Currently Reliance Jio is operational
- **Expansion to other countries** –Currently Reliance Jio is operational only in India. There is, however, a lot of scope for expansion to foreign countries

CHAPTER 5
RESEARCH METHODOLOGY

Type of research

- Descriptive with exploratory

To understand the information contained in financial statements with a view to know the strength or weaknesses of the firm and to make forecast about the future prospects of the firm and thereby enabling the financial analyst to take different decisions regarding the operations of the firm.

Method of Data Collection:-

- **Historical method**

Secondary data collection tools to used:-

Financial statements of Reliance Jio Infocomm Ltd.

Research Design:

Research Design pertains to the great research approach or strategy adopted for a particular project. A research project has to be conducted scientifically making sure that the data is collected adequately and economically.

The study used a descriptive research design for the purpose of getting an insight over the issue. It is to provide an accurate picture of some aspects of market environment. Descriptive research is used when the objective is to provide a systematic description that is as factual and accurate as possible. I used the method of questionnaire & personal interview to obtain the information from the respondents. The questionnaire includes questions wherein the respondents have to choose from a set of predetermined answers.

Data collection method

For the study, secondary data were collected and analyzed the financial statements of company.

CHAPTER 6
DATA ANALYSIS AND
INTERPRETATION

Data Analysis and Interpretation

1] Current Ratio:

Formula:-

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

| Year | 2018-2019 | 2019-2020 | 2020-2021 | 2021 -2022 |
|----------------------------|-----------|-------------|-----------|------------|
| Current assets | 7,698,97 | 13,16,824 | 19,54,925 | 13,52,425 |
| Current liabilities | 44,306,77 | 6,24,25,484 | 86,49,794 | 60,93,095 |
| Current ratio | 0.17 | 0.21 | 0.22 | 0.22 |

Interpretation:-

In Reliance Jio Infocomm Ltd. the current ratio is 0.22:1 in 2021-2022. It means that for one rupee of current liabilities, the current assets are 0.22 rupee is available to the them. In other words the current assets are 0.22 times the current liabilities.

Almost 2 years current ratio is same but current ratio in 2020-2021 and 2021-2022 is bit higher, which makes company sounder. The consistency will decrease in the value of current assets will increase the decrease the ability of company to meets its obligations & therefore from the point of view of creditors the company is risky.

Thus, the current ratio throws light on the company's non ability to pay its current liabilities out of its current assets. The Reliance Jio Industries Ltd. has not satisfied current ratio.

2] Fixed Asset Turnover Ratio:**Formula:****Net Sales****Fixed asset turnover ratio= -----****Net Fixed asset**

| YEAR | 2018-2019 | 2019-2020 | 2020-2021 | 2021 -2022 |
|-----------------------------------|------------------|------------------|------------------|-------------------|
| Turnover | 3,26,000 | 1,22,000 | 2,01,580 | 3,88,440 |
| Fixed Asset | 1,19,28,960 | 1,87,72,018 | 2,34,182 | 1,82,256 |
| Fixed asset turnover ratio | 0.027 | 0.006 | 0.8607 | 2.13 |

Interpretation:-

The Fixed asset turnover ratio indicates the financial position of an enterprise. Almost in all 4 year ratio is sometime increasing or decreasing, which is better for the company to meet the urgency. The fixed asset turnover ratio of the Reliance Jio Infocomm Ltd. has increased from 0.8607 to 2.13 in 2021-2022 which shows that company have achieve high profitability.

This indicates that the dependence on the long-term liabilities & creditors are more & the company is following an aggressive working capital policy.

Fixed asset turnover ratio of Company is favorable because the quick of the turnover of company are less than the Fixed asset. The Fixed asset turnover ratio shows the company's ability to meet its immediate obligations promptly.

3] Net profit Margin Ratio:**Formula:**

$$\text{Net profit Margin ratio} = \frac{\text{Net profit}}{\text{Turnover}}$$

| YEAR | 2018-2019 | 2019-2020 | 2020-2021 | 2021 -2022 |
|--------------------------------|------------------|------------------|------------------|-------------------|
| Net profit | 3,22,000 | 1,20,000 | 4,00,000 | 60,00,000 |
| Turnover | 3,26,000 | 1,22,000 | 20,15,800 | 38,84,400 |
| Net profit margin ratio | 0.98 | 0.98 | 1.98 | 1.54 |

Interpretation:-

The net profit margin ratio of the company is 1.54 in the year 2021-2022. It means that for every one rupee of profit contribution of 1.54. This shows that the contribution by owners to net profit is more than the contribution by outside creditors. As the net profit margin ratio is very favorable of the company. The Company's long-term solvency position is very sound.

4] Debt Equity Ratio:**Formula:**

$$\text{Debt Equity ratio} = \frac{\text{Total liabilities}}{\text{Stockholder equity}}$$

| YEAR | 2018-2019 | 2019-2020 | 2020-2021 | 2021 -2022 |
|---------------------------|------------------|------------------|------------------|-------------------|
| Total liabilities | 10,11,982 | 12,13,651 | 14,24,754 | 14,83,672 |
| Stockholder equity | 3,14,915 | 4,35,293 | 12,52,270 | 10,62,238 |
| Debt equity ratio | 2.42 | 1.83 | 1.43 | 0.38 |

Interpretation:-

This ratio shows that the amount debt equity is decreasing from the year 2019-2020 to 2021-2022.

It shows that the solvency position of the company is sound.

Calculation and interpretation of cash flow statement

Cash flow Statement (in Rs. Cr).

| Particular | 2018-2019 | 2019-2020 | 2020-2021 | 2021 -2022 |
|--|------------------|----------------|--------------|---------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net loss before Tax as per profit and loss statement | 23,88 | 47,91 | 1,109 | 4556 |
| Adjusted for:- | | | | |
| Depreciation and Amortisation Expenses | 433 | 487 | 3577 | 6398 |
| Interest Income | 90 | 90 | 3 | 9 |
| Profit on sale of current Investment (Net) | 192 | - | - | 4 |
| Loss on sale of Fixed Assets | 25 | 80 | 7 | 5 |
| Interest and Finance | 143 | 102 | 2,049 | 4148 |
| Operating loss before working capital changes | (20,69) | 42,12 | 6,741 | 15,112 |
| Adjusted for:- | | | | |
| Trade and Other Receivables | 4371,36 | 5867,61 | 6962 | 8836 |
| Trade and Payables | 25,93 | 2503,90 | 4031 | 1350 |
| | | | | |
| Cash used in operations | 4366,13 | 3405,83 | 3810 | 7626 |
| (Taxes paid)\ Refund | 26 | - | 240 | 968 |
| Net cash used in operating Activities | (4365,87) | 3405,83 | 3570 | 6658 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of fixed Assets(including movement in capital work in progress and intangible assets under development) | 17633,77 | 38542,77 | 35792 | 43845 |

| | | | | |
|---|-----------------|-----------------|--------------|--------------|
| Sale of Fixed Assets | 40 | - | - | - |
| Purchase of Investments | 36738,80 | 32733,50 | 600 | 47905 |
| Sale of Investments | 37004,48 | 32767,50 | 600 | 48,030 |
| Purchase of Investment in subsidiaries | 290,48 | 5822 | 143 | 93 |
| Interest Income | 5 | - | 0 | 15 |
| Fixed Deposits\ Margin Money with the banks | 194 | - | 20 | 384 |
| Net Cash used in investing Activities | 17659,84 | 38563,99 | 35949 | 44,176 |
| C. CASH FLOW FROM FINANCING ACTIVITIES:- | | | | |
| Proceeds from Equity shares | 15000,00 | - | - | - |
| Proceeds from Long Term Borrowings | 11336,77 | 12562,00 | 6914 | 68012 |
| Repayment of long term Borrowings | 3611,39 | 104,29 | 3317 | 11472 |
| Proceeds from Short Term Borrowings | 3026,74 | - | 7340 | 9661 |
| Repayment from Short Term Borrowings | 27703,03 | - | - | 870 |
| Interest and Finance Charges Paid | 327402 | 5818,81 | 8489 | 9165 |
| | | | | |
| Net Cash from Financing Activities | 22012,07 | 41984,88 | 35949 | 36844 |
| | | | | |
| Net (Decrease) in cash and cash equivalents | 1364 | 15,06 | 670 | 674 |
| Opening Balance of cash and equivalents | 1926 | 562 | 21 | 691 |
| Closing Balance of Cash and Cash equivalents | 562 | 20,68 | 691 | 17 |

Interpretation:-

- The cash flow statement shows that the net profit before tax increased continuously in the year 2019, 2020 and 2021 but decreased in the year 2022 due to the excessive liquidity.
- The net cash from the operating activities continuously increased from the 2019 to 2022, which shows the sound position of the firm.
- The statement shows that net cash from investing activities is negative in all four years that means the firm is not enough contribute in investing activities.
- The net cash used in financing activities is maximum in the year 2021 and 2022 in comparison to 2019 and 2020, when company contributed fewer amounts in financing activities.
- The cash and cash equivalents of the firm decreased in the year 2019 and 2020, which shows the low liquidity position of the firm in these years. The cash and cash equivalents of the firm increased in the year 2021 and 2022 showing the high liquidity position of the firm.
- The opening cash and cash equivalents are minimum in the year 2021 and maximum in the year 2022. The Closing cash and cash equivalents maximum in the year 2022 and minimum in the year 2020 shows the firm maintain the maximum liquidity position in the year 2022.

CHAPTER 7
CONCLUSION AND
LIMITATION

Conclusion

This research report is conducted to analyse the financial statements of Reliance Jio Infocomm Ltd.

In this research it is found that the Jio is a well-established company in the market. After the launch of jio it was given to users for free and people attracted towards it. Its financial statements may be fluctuating but the Reliance Jio Infocomm Ltd. Is the company which has no comparison. The graph of the company is always raising. And it has achieve high profit till yet.

The company's overall position is at a very good position. The company achieves sufficient profit in past four years. The long term solvency position of the company is very good. The company maintains low liquidity to achieve the high profitability. The company distributes dividends every year to its share holders. The profit of the company decreased in the last year due to maintaining the comparatively high liquidity. The net working capital of the company is maximum in the last year shows the maximum liquidity.

LIMITATION

Significant business decisions are frequently made using one or more of the analytical tools illustrated in this term paper. But, one should be aware of the limitations of these tools and of the financial statements on which they are based.

Estimates:-

Financial statements contain numerous estimates. Estimates are used in determining the allowance for uncollectible receivables, periodic depreciation, the costs of warranties, and contingent losses. To the extent that these estimates are inaccurate, the financial ratios and percentages are inaccurate.

Cost:-

Traditional financial statements are based on cost. They are not adjusted for price-level changes. Comparisons of unadjusted financial data from different periods may be rendered invalid by significant inflation or deflation in the period.

Alternative Accounting Methods:-

Companies vary in the generally accepted accounting principles they use. Such variations may hamper comparability. For example, one company may use the FIFO method of inventory costing; another company in the same industry may use LIFO. If inventory is a significant asset to both companies, it is unlikely that their current ratios are comparable. In addition to differences in inventory costing methods, differences also exist in reporting such items as depreciation, depletion, and amortization.

Atypical Data:-

Fiscal year-end data may not be typical of the financial condition during the year. Firms frequently establish a fiscal year-end that coincides with the low point in operating activity or in inventory levels. Therefore, certain account balances (cash, receivables, payables, and inventories) may not be representative of the balances in the accounts during the year.

CHAPTER 8
RECOMMENDATION AND
SUGGESTION

SUGGESTION AND RECOMMENDATION

1. Liquidity refers to the ability of the concern to meet its current obligations as and when these become due. The company should improve its liquidity position.
2. The company should make the balance between liquidity and solvency position of the Company.
3. The Debt equity ratio is decreased in current year so the company should pay attention to this because profit making is the prime objective of every business.
4. The Net profit Margin Ratio is high in every year so it is good for the company.
5. The long term financial position of the company is very good but it should pay a little attention to short term solvency of the company.

CHAPTER 9
BIBLIOGRAPHY

BIBLIOGRAPHY

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- 2018-2019
- 2019-2020
- 2020-2021
- 2021-2022

WEBSITES -

- www.ril.com
- www.moneycontrol.com

CHAPTER 10
ANNEXURE

Balance Sheet as at 31st March, 2019

| Particulars | Notes | ₹ in crore) | |
|--|---------|---------------------------|---------------------------|
| | | As at 31st March, 2019 | As at 31st March, 2018 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 1 | 74,633 | 95,769 |
| Capital Work-in-Progress | 1 | 30,965 | 61,025 |
| Intangible Assets | 1 | 59,367 | 59,760 |
| Intangible Assets Under Development | 1 | 3,643 | 8,962 |
| Financial Assets | | | |
| Investments | 2 | 1,108 | 1,016 |
| Other Financial Assets | 3 | 2 | 3 |
| Deferred Tax Assets (Net) | 4 | 3,427 | 4,037 |
| Other Non-Current Assets | 5 | 9,111 | 3,610 |
| Total Non-Current Assets | | 182,256 | 234,182 |
| CURRENT ASSETS | | | |
| Financial Assets | | | |
| Investments | 6 | 155 | - |
| Trade Receivables | 7 | 735 | 912 |
| Cash and Cash Equivalents | 8 | 17 | 691 |
| Other Bank Balances | 9 | 412 | 27 |
| Other Financial Assets | 10 | 672 | 340 |
| Other Current Assets | 11 | 11,533 | 17,579 |
| Total Current Assets | | 13,524 | 19,549 |
| Total Assets | | 195,780 | 253,731 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity Share Capital | 12 | 45,000 | 45,000 |
| Other Equity | 13 | (4,600) | 57,933 |
| Total Equity | | 40,400 | 102,933 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 14 | 65,613 | 35,192 |
| Other Financial Liabilities | 15 | 9,998 | 8,536 |
| Deferred Payment Liabilities | 16 | 18,839 | 20,209 |
| Provisions | 17 | - | 364 |
| Total Non-Current Liabilities | | 94,450 | 64,301 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 18 | 3,601 | 13,263 |
| Trade Payables Due to | 19 | | |
| Micro and Small Enterprises | | 11 | 9 |
| Other than Micro and Small Enterprises | | 3,245 | 3,108 |
| Other Financial Liabilities | 20 | 48,523 | 65,751 |
| Deferred Payment Liabilities | 16 | 1,370 | 870 |
| Other Current Liabilities | 21 | 4,075 | 3,406 |
| Provisions | 22 | 105 | 90 |
| Total Current Liabilities | | 60,930 | 86,497 |
| Total Liabilities | | 155,380 | 150,798 |
| Total Equity and Liabilities | | 195,780 | 253,731 |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Financial Statements | 1 to 43 | | |

Balance Sheet as at 31st March, 2020

| Particulars | Notes | ₹ in crore) | |
|--|---------|---------------------------|---------------------------|
| | | As at 31st March, 2020 | As at 31st March, 2019 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 1 | 1,02,864 | 74,633 |
| Capital Work-in-Progress | 1 | 21,176 | 30,965 |
| Intangible Assets | 1 | 60,563 | 59,367 |
| Intangible Assets Under Development | 1 | 82 | 3,643 |
| Financial Assets | | | |
| Investments | 2 | 1,108 | 1,108 |
| Other Financial Assets | 3 | 3 | 2 |
| Deferred Tax Assets (Net) | 4 | 1,546 | 3,427 |
| Other Non-Current Assets | 5 | 25,920 | 9,111 |
| Total Non-Current Assets | | 2,13,262 | 1,82,256 |
| Current Assets | | | |
| Financial Assets | | | |
| Investments | 6 | 1,381 | 155 |
| Trade Receivables | 7 | 1,609 | 873 |
| Cash and Cash Equivalents | 8 | 7,066 | 17 |
| Other Bank Balances | 9 | 414 | 412 |
| Other Financial Assets | 10 | 1,067 | 534 |
| Other Current Assets | 11 | 16,906 | 11,533 |
| Total Current Assets | | 28,443 | 13,524 |
| Total Assets | | 2,41,705 | 1,95,780 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 12 | 45,000 | 45,000 |
| Other Equity | 13 | 1,25,956 | (4,600) |
| Total Equity | | 1,70,956 | 40,400 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 14 | - | 65,613 |
| Other Financial Liabilities | 15 | 13,490 | 9,998 |
| Deferred Payment Liabilities | 16 | 18,839 | 18,839 |
| Total Non-Current Liabilities | | 32,329 | 94,450 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 17 | 23,242 | 3,601 |
| Trade Payables Due to Micro and Small Enterprises | 18 | 38 | 11 |
| Other than Micro and Small Enterprises | | 4,662 | 3,245 |
| Other Financial Liabilities | 19 | 4,957 | 48,523 |
| Deferred Payment Liabilities | 16 | - | 1,370 |
| Other Current Liabilities | 20 | 5,462 | 4,075 |
| Provisions | 21 | 59 | 105 |
| Total Current Liabilities | | 38,420 | 60,930 |
| Total Liabilities | | 70,749 | 1,55,380 |
| Total Equity and Liabilities | | 2,41,705 | 1,95,780 |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Financial Statements | 1 to 45 | | |

Balance Sheet as at 31st March, 2021

| Particulars | Notes | ₹ in crore) | |
|--|---------|---------------------------|---------------------------|
| | | As at 31st March, 2021 | As at 31st March, 2020 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 1 | 1,15,146 | 1,02,864 |
| Capital Work-in-Progress | 1 | 16,888 | 21,176 |
| Intangible Assets | 1 | 56,008 | 60,563 |
| Intangible Assets Under Development | 1 | 93 | 82 |
| Financial Assets | | | |
| Investments | 2 | 1,108 | 1,108 |
| Other Financial Assets | 3 | 10 | 3 |
| Deferred Tax Assets (Net) | 4 | - | 1,546 |
| Other Non-Current Assets | 5 | 38,401 | 25,920 |
| Total Non-Current Assets | | 2,27,654 | 2,13,262 |
| Current Assets | | | |
| Financial Assets | | | |
| Investments | 6 | 420 | 1,381 |
| Trade Receivables | 7 | 1,410 | 1,609 |
| Cash and Cash Equivalents | 8 | 178 | 7,066 |
| Other Bank Balances | 9 | 411 | 414 |
| Other Financial Assets | 10 | 614 | 1,067 |
| Other Current Assets | 11 | 19,402 | 16,906 |
| Total Current Assets | | 22,435 | 28,443 |
| Total Assets | | 2,50,089 | 2,41,705 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 12 | 45,000 | 45,000 |
| Other Equity | 13 | 1,37,973 | 1,25,956 |
| Total Equity | | 1,82,973 | 1,70,956 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 14 | 364 | - |
| Other Financial Liabilities | 15 | 15,145 | 13,490 |
| Deferred Payment Liabilities | 16 | 18,837 | 18,839 |
| Deferred Tax Liabilities (Net) | 4 | 2,526 | - |
| Total Non-Current Liabilities | | 36,872 | 32,329 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 17 | 10,775 | 23,242 |
| Trade Payables Due to Micro and Small Enterprises | 18 | 6 | 38 |
| Other than Micro and Small Enterprises | | 2,233 | 4,662 |
| Other Financial Liabilities | 19 | 8,086 | 4,957 |
| Other Current Liabilities | 20 | 9,072 | 5,462 |
| Provisions | 21 | 72 | 59 |
| Total Current Liabilities | | 30,244 | 38,420 |
| Total Liabilities | | 67,116 | 70,749 |
| Total Equity and Liabilities | | 2,50,089 | 2,41,705 |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Financial Statements | 1 to 44 | | |

RELIANCE JIO INFOCOMM LIMITED

Balance Sheet as at 31st March, 2022

| Particulars | Notes | (Rs. in crore) | |
|--|---------|---------------------------|---------------------------|
| | | As at 31st March, 2022 | As at 31st March, 2021 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 1 | 1,32,360 | 1,15,146 |
| Capital Work-in-Progress | 1 | 19,223 | 16,888 |
| Intangible Assets | 1 | 84,185 | 56,008 |
| Intangible Assets Under Development | 1 | 28,630 | 93 |
| Financial Assets | | | |
| Investments | 2 | 1,108 | 1,108 |
| Other Financial Assets | 3 | 32 | 10 |
| Other Non-Current Assets | 4 | 23,964 | 38,401 |
| Total Non-Current Assets | | 2,89,502 | 2,27,654 |
| Current Assets | | | |
| Financial Assets | | | |
| Investments | 5 | 555 | 420 |
| Trade Receivables | 6 | 4,317 | 833 |
| Cash and Cash Equivalents | 7 | 226 | 178 |
| Other Bank Balances | 8 | 386 | 411 |
| Other Financial Assets | 9 | 3,611 | 1,191 |
| Other Current Assets | 10 | 19,892 | 19,402 |
| Total Current Assets | | 28,987 | 22,435 |
| Total Assets | | 3,18,489 | 2,50,089 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 11 | 45,000 | 45,000 |
| Other Equity | 12 | 1,52,790 | 1,37,973 |
| Total Equity | | 1,97,790 | 1,82,973 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 13 | 16,162 | 364 |
| Lease Liabilities | | 7,952 | 4,833 |
| Deferred Payment Liabilities | 14 | 37,184 | 18,837 |
| Other Financial Liabilities | 15 | 6,225 | 10,312 |
| Provisions | 16 | 99 | - |
| Deferred Tax Liabilities (Net) | 17 | 7,574 | 2,526 |
| Total Non-Current Liabilities | | 75,196 | 36,872 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 18 | 26,324 | 10,832 |
| Trade Payable Dues of | | | |
| Micro and Small Enterprises | 19 | 27 | 6 |
| Other than Micro and Small Enterprises | | 1,993 | 2,233 |
| Lease Liabilities | | 2,040 | 885 |
| Other Financial Liabilities | 20 | 6,067 | 7,144 |
| Other Current Liabilities | 21 | 8,974 | 9,072 |
| Provisions | 22 | 78 | 72 |
| Total Current Liabilities | | 45,503 | 30,244 |
| Total Liabilities | | 1,20,699 | 67,116 |
| Total Equity and Liabilities | | 3,18,489 | 2,50,089 |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Financial Statements | 1 to 44 | | |

Statement of Profit and Loss for the year ended 31st March, 2019

| Particulars | Notes | ₹ in crore | |
|--|---------|---------------|---------------|
| | | 2018-19 | 2017-18 |
| INCOME | | | |
| Revenue from Operations | 23 | 38,838 | 20,154 |
| Other Income | 24 | 6 | 4 |
| Total Income | | 38,844 | 20,158 |
| EXPENSES | | | |
| Network Operating Expenses | 25 | 11,338 | 4,921 |
| Access Charges (Net) | | 4,207 | 4,287 |
| License Fees/Spectrum Charges | | 4,159 | 1,767 |
| Employee Benefits Expense | 26 | 1,658 | 963 |
| Finance Costs | 27 | 4,148 | 2,049 |
| Depreciation and Amortisation Expense | 1 | 6,398 | 3,577 |
| Selling and Distribution Expenses | | 1,150 | 797 |
| Other Expenses | 28 | 1,230 | 688 |
| Total Expenses | | 34,288 | 19,049 |
| Profit Before Tax | | 4,556 | 1,109 |
| TAX EXPENSES | | | |
| Current Tax | 4 | 982 | 234 |
| Deferred Tax | 4 | 610 | 152 |
| Profit for the year | | 2,964 | 723 |
| OTHER COMPREHENSIVE INCOME | | | |
| i. Items that will not be reclassified to Profit or Loss | | 6 | 8 |
| ii. Income tax relating to items that will not be reclassified to Profit or Loss | | (2) | (3) |
| Total Other Comprehensive Income for the year (Net of tax) | | 4 | 5 |
| Total Comprehensive Income for the year | | 2,968 | 728 |
| EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH | | | |
| Basic (in ₹) | 29 | 0.66 | 0.16 |
| Diluted (in ₹) | 29 | 0.27 | 0.07 |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Financial Statements | 1 to 43 | | |

Statement of Profit and Loss for the year ended 31st March, 2020

| Particulars | Notes | (₹ in crore) | |
|---|-------|---------------|---------------|
| | | 2019-20 | 2018-19 |
| INCOME | | | |
| Revenue from Operations | 22 | 54,316 | 40,663 |
| Other Income | 23 | 87 | 6 |
| Total Income | | 54,403 | 40,669 |
| EXPENSES | | | |
| Network Operating Expenses | 24 | 16,930 | 11,338 |
| Access Charges | 25 | 5,795 | 6,032 |
| License Fees/Spectrum Charges | | 5,720 | 4,159 |
| Employee Benefits Expense | 26 | 1,463 | 1,658 |
| Finance Costs (Net) | 27 | 6,617 | 4,148 |
| Depreciation and Amortisation Expense | 1 | 7,396 | 6,398 |
| Selling and Distribution Expenses | | 1,277 | 1,150 |
| Other Expenses | 28 | 1,564 | 1,230 |
| Total Expenses | | 46,762 | 36,113 |
| Profit Before Exceptional Items & Tax | | 7,641 | 4,556 |
| Exceptional Items (Net of Tax) | 38 | 146 | - |
| Profit Before Tax | | 7,495 | 4,556 |
| Tax EXPENSES | | | |
| Current Tax | | - | 982 |
| Deferred Tax | | 1,933 | 610 |
| Profit for the year | | 5,562 | 2,964 |
| OTHER COMPREHENSIVE INCOME | | | |
| (i) Items that will not be reclassified to Profit or Loss | | (8) | 6 |
| (ii) Income tax relating to items that will not be reclassified to Profit or Loss | | 2 | (2) |
| Total Other Comprehensive Income for the year (Net of tax) | | (6) | 4 |
| Total Comprehensive Income for the year | | 5,556 | 2,968 |
| EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH | | | |
| Basic (in Rupees) | 29 | 1.24 | 0.66 |
| Diluted (in Rupees) | 29 | 0.59 | 0.27 |
| Significant Accounting Policies | | | |

Statement of Profit and Loss for the year ended 31st March, 2021

| Particulars | Notes | ₹ in crore) | |
|---|---------|---------------|---------------|
| | | 2020-21 | 2019-20 |
| INCOME | | | |
| Revenue from Operations | 22 | 69,888 | 54,316 |
| Other Income | 23 | 548 | 87 |
| Total Income | | 70,436 | 54,403 |
| EXPENSES | | | |
| Network Operating Expenses | 24 | 22,058 | 16,930 |
| Access Charges | 25 | 4,631 | 5,795 |
| License Fees/Spectrum Charges | | 7,755 | 5,720 |
| Employee Benefits Expense | 26 | 1,337 | 1,463 |
| Finance Costs | 27 | 3,840 | 6,617 |
| Depreciation and Amortisation Expense | 1 | 11,534 | 7,396 |
| Selling and Distribution Expenses | | 1,172 | 1,277 |
| Other Expenses | 28 | 2,022 | 1,564 |
| Total Expenses | | 54,349 | 46,762 |
| Profit Before Exceptional Items & Tax | | 16,087 | 7,641 |
| Exceptional Items (Net of Tax) | 38 | - | 146 |
| Profit Before Tax | | 16,087 | 7,495 |
| TAX EXPENSES | | | |
| Current Tax | | - | - |
| Deferred Tax | 4 | 4,072 | 1,933 |
| Profit for the year | | 12,015 | 5,562 |
| OTHER COMPREHENSIVE INCOME | | | |
| (i) Items that will not be reclassified to Profit or Loss | | 3 | (8) |
| (ii) Income tax relating to items that will not be reclassified to Profit or Loss | | (1) | 2 |
| Total Other Comprehensive Income for the year (Net of Tax) | | 2 | (6) |
| Total Comprehensive Income for the year | | 12,017 | 5,556 |
| EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH | | | |
| Basic (in ₹) | 29 | 2.67 | 1.24 |
| Diluted (in ₹) | 29 | 0.71 | 0.59 |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Financial Statements | 1 to 44 | | |

RELIANCE JIO INFOCOMM LIMITED**Statement of Profit and Loss for the year ended 31st March, 2022**

| Particulars | Notes | (Rs. in crore) | |
|---|-------|----------------|---------------|
| | | 2021-22 | 2020-21 |
| INCOME | | | |
| Revenue from Operations | 23 | 76,977 | 69,888 |
| Other Income | 24 | 227 | 548 |
| Total Income | | 77,204 | 70,436 |
| EXPENSES | | | |
| Network Operating Expenses | 25 | 25,013 | 22,058 |
| Access Charges | | 806 | 4,631 |
| License Fees/Spectrum Charges | | 9,074 | 7,755 |
| Employee Benefits Expense | 26 | 1,422 | 1,337 |
| Finance Costs | 27 | 4,377 | 3,840 |
| Depreciation and Amortisation Expense | 1 | 13,615 | 11,534 |
| Selling and Distribution Expenses | 28 | 1,100 | 1,172 |
| Other Expenses | 29 | 1,932 | 2,022 |
| Total Expenses | | 57,339 | 54,349 |
| Profit Before Tax | | 19,865 | 16,087 |
| Tax Expenses | | | |
| Current Tax | | - | - |
| Deferred Tax | | 5,048 | 4,072 |
| Profit for the year | | 14,817 | 12,015 |
| OTHER COMPREHENSIVE INCOME | | | |
| (i) Items that will not be reclassified to Profit or Loss | | 0 | 3 |
| (ii) Income tax relating to items that will not be reclassified to Profit or Loss | | (0) | (1) |
| Total Other Comprehensive Income for the year (Net of tax) | | 0 | 2 |
| Total Comprehensive Income for the year | | 14,817 | 12,017 |
| EARNINGS PER EQUITY SHARE OF FACE VALUE OF RS. 10 EACH | | | |
| Basic (in Rupees) | 30 | 3.29 | 2.67 |
| Diluted (in Rupees) | 30 | 0.87 | 0.71 |

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 44

"0" represents the amount below the denomination threshold.

