

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

Submitted to
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Affiliated to
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In partial fulfillment for the award of the degree of
Bachelor of Business Administration

Submitted by
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Academic Year 2023-2024



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Academic Year 2023-2024



CERTIFICATE

This is to certify that “**RIYA BISHNANI**” 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 she has ingeniously completed his project as prescribed by Rashtasant Tukadoji Maharaj Nagpur University, Nagpur.

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Academic Year 2023-2024

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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RIYA BISHNANI

Place: NAGPUR

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CHAPTER – 1
INTRODUCTION

INTRODUCTION

FINANCIAL STATEMENT

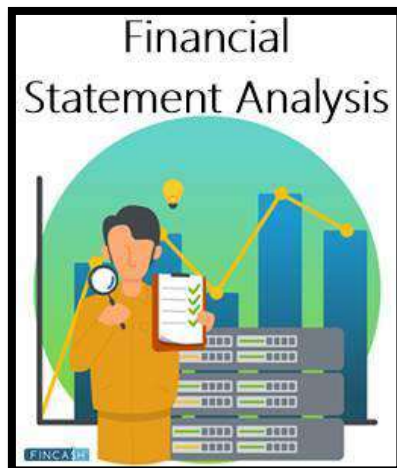
Meaning of Financial Statement

Financial statements refer to such statements which contains financial information about an enterprise. They report profitability and the financial position of the business at the end of 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 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.



FINANCIAL ANALYSIS

Meaning of Financial Analysis

The first task of financial analysis is to select the information relevant to the decision under consideration to the total information contained in the financial statement. The second step is to arrange the information in a way to highlight significant relationship. The final step is interpretation and drawing of inference and conclusions. Financial statement 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 inconvenient 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 found 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 indecision making.
- The conclusion drawn from interpretation is 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 insolvency. 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

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.

RATIO ANALYSIS

Meaning of Ratio:

A ratio is one figure express in terms of another figure. It is a mathematical yardstick that measures the relationship two figures, which are related to each other and mutually interdependent. Ratio is express 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”. As accounting ratio is an expression relating two figures or accounts or two sets of account heads or group contain in the financial statements.

Meaning of Ratio Analysis

Ratio analysis is the method or process by which the relationship of items or group of items in the financial statement are computed, determined and presented. Ratio analysis is an attempt to derive quantitative measure 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 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:

- Cash,
- Total current assets,
- Net working capital,
- 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 sheets.

CHAPTER – 2

COMPANY PROFILE

COMPANY PROFILE



Reliance Jio Infocomm Limited is an Indian telecommunications company and a subsidiary of Jio Platforms, headquarters in Navi Mumbai, Maharashtra. It operates a national LTE network with coverage across all 22 telecom circles. Jio offers 4G+ services all over India and 5G service in many cities. Its 6G service is in works.

Jio soft launched on 27 December 2015 with a beta for partners and employees, and became publicly available on 5 September 2016. It is the largest mobile network operator in India and the third largest mobile network operator in the world with over 42.62 crore (426.2 million) subscribers.

In September 2019, Jio launched a fiber to the home service, offering home broadband, television, and telephone services. As of September 2020, Reliance Industries has raised ₹1.65 lakh crore (equivalent to ₹1.9 trillion or US\$24 billion in 2023) by selling nearly 33% equity stake in Jio Platforms.

HISTORY

The company was registered in Amba wadi, Ahmadabad, and Gujarat on 15 February 2007 as Infotel Broadband Services Limited (IBSL). In June 2010, Reliance Industries (RIL) bought a 95% stake in IBSL for ₹4,800 crore (equivalent to ₹110 billion or US\$1.3 billion in 2023). 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 license 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\$21 million) which was arbitrary and unreasonable, and contributed to a loss of ₹2,284.2 crore (US\$290 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.^[20] The company commercially launched its 4G services on 5 September 2016, offering free data and voice services until 31 December, which was later extended until 31 March 2017. Within the first month, Jio announced that it had acquired 1.6 crore (16 million) subscribers and has crossed 5 crore (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 13 crore (130 million) subscribers.

On 5 October 2022, it has launched 5G services to Delhi, Mumbai, Kolkata and Chennai. As of March 2023, Jio 5G service was available in 365 cities across India.^[29] As of April 2023, 5G service was available across 2,500+ cities in India. In August 2023, it was announced that Jio had completed its rollout of 5G services nationwide, ahead of schedule.

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.

- **Sep 2014** – Acquired undisclosed stake in Airspan Networks for US\$5 mn. Deploys Airspan's small cells throughout the network roll out phase.
- **Sep 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.
- **Feb 2017** – Jio announced a partnership with Samsung to work on LTE – Advanced Pro and 5G.
- **Feb 2017** – Partnered with Ciena to deploy transport SDN architecture.
- Reliance Jio also partnered with several OSS (Operations Support Systems) & BSS (Business Support System) companies for the deployment of services, like: SAP, HP, IBM, Ericsson, Rancore, Estel Technologies, Subex and Intec Telecom Systems. However, the finalized OSS firms were Ericsson, HP and Friendly Technologies.
- **Sep 2020** – Partners with Cisco Systems for 5G deployment.
- **Sep 2020** – Announces partnership with HFCL to deploy Fiber-optic communication to support the rollout of FTTx services.
- **Oct 2022** - Contracts with Nokia & Ericsson for supplying standalone 5G network equipment.



JIO

Trade name	Reliance Jio Infocomm Limited
Company type	Subsidiary
Industry	Telecommunications
Founded	15 February 2007; 17 years ago
Founder	Mukesh Ambani
Headquarters	Reliance Corporate Park, Ghansoli, Navi Mumbai, Maharashtra, India
Area served	India
Key people	Akash Ambani (chairman), Sandip Das (Managing Director)
Products	Fixed-line telephone Mobile telephony, Wireless broadband, Internet services, Mobile phones, OTT services
Owner	Reliance Industries
Parent	Jio Platforms
Subsidiary	LYF
Website	Jio.com

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. On 5 October 2022, it launched 5G services to Delhi, Mumbai, Kolkata, Chennai, Varanasi, Siliguri, Bangalore, Hyderabad and Nagpur.



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 100 to 1000 Mbit/s, 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 JioFiber subscribers.

In the year 2015, the company has a network of more than 250,000 km (160,000 mi) 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.



Jio Business

In March 2021, the company has launched connectivity solutions for businesses bundled with services provided by Jio Platforms, Reliance Retail and Office 365.



Jio Air Fiber

In August 2023, in the Reliance AGM, the chairman of Reliance has announced that the JioAirFiber eliminates the need for the last mile fiber cable connectivity by making the use of Jio 5G wireless network and the product was made available for purchase from 19 September 2023.

The company has started installing JioAirFiber devices from 1st October 2023.



Jio Space Fiber

On 27 October 2023, Jio has launched its satellite-based GigaFiber internet service in India. Reliance Jio's JioSpaceFiber, announced at the Indian Mobile Congress, is a satellite internet service. Unlike standard broadband, it uses satellites to provide internet access, offering wide coverage but potentially higher latency. The service has been launched in four small regions across India. The satellite internet connectivity will be beneficial for users in remote areas as it does not rely on telecom infrastructure.



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 BRANDED DEVICES

LYF smartphones

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.



JioFi

JioFi is a portable broadband device brought by Reliance Digital. The JioFi device allows multiple users and mobile devices to access Jio's 4G high-speed internet connectivity and create a personal Wi-Fi hotspot.



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 on 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 HelloJio), and a Jio-branded application store. It also supports a "TV cable" accessory for output to an external display.



Jio Phone Next

The JioPhone Next is a fully-featured Android smartphone co-developed with Google as part of Jio's long-term partnership. It was announced on 24 June 2021, by Mukesh Ambani. The budget smartphone was launched in India on 4 November 2021.

The JioPhone Next will be run by the indigenously built Pragati OS based on Android Go operating system. This phone is classified as an entry-level phone and is aimed at replacing feature phones and providing basic smartphone services efficiently at low specifications.



JioBharat

Reliance Jio has introduced a budget-friendly 4G phone called Jio Bharat at an affordable price of ₹999. The phone's sales commenced on 7 July 2023, and Reliance Jio aims to eliminate 2G technology from India through the widespread adoption of this device. The Jio Bharat Phone is specifically targeted towards individuals who are unable to afford expensive smartphones but still rely on basic features.



JioDive

Reliance Jio has unveiled its JioDive virtual reality (VR) headset in India, to help IPL fans watch a match in 360-degree stadium view while sitting in front of a 100-inch screen. A smartphone-based virtual reality headset for entertainment, learning, gaming, and wellness.



JioTag

JioTag, an affordable object tracker, was introduced by Reliance Jio in India. By utilizing Bluetooth 5.1 technology and the JioThings app, JioTag assists in locating lost items and alerts you when you inadvertently leave your connected device behind.



Jionet Wi-Fi

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 AndhraPradesh, Indore, Jabalpur, Dewas and Ujjain in MadhyaPradesh, selectlocationsof Mumbai in Maharashtra, Kolkata in WestBengal, Lucknow in UttarPradesh, Bhubaneswar in Odisha, Mussoorie in Uttarakhand, Collectorate's Office in Meerut, and at MG Road in Vijayawada among others.

In March 2016, Jio started providing free Wi-Fi internet to spectators at six cricket stadiums hosting the 2016 ICC World Twenty20 matches.



APPS



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 some of them. Notable apps include:

- **MyJio**

- manage Jio account and digital services associated with it

- **Jio Sphere**

- A web browser for Android device with VPN. *(Formerly JioPages)*

- **Jio Chat**

- Instant messaging app

- **Jio Cinema**

- OTT Platform.

- **Jio Cloud**

- Cloud-based backup tool

- **Jio Health Hub**

- Health services app

- **Jio News**

- E-reader for news

- **Jio Meet**

- Video-conferencing platform

- **Jio Money**

- Online payments/wallet app

- **Jio Saavn**

- For online and offline music streaming in English and Indian languages

- **Jio Security**

- Security app

- **Jio TV**

- TV Channels streaming service

- **Jio Call**

- VoLTE phone simulator

- **Jio Mart**

- Online shopping app

- **Jio Games**

- gaming platform

- **Jio Home**

- Enhancing home entertainment

- **Jio Things**

- Track devices.

- **Jio Gate**

- Housing society solutions

- **JioPOS Lite**

- Earn by helping

CHAPTER – 3
LITERATURE REVIEW

LITERATURE REVIEW



- **Priya and Sathiya (2017)**, in this investigation, estimating the degree of inclination and fulfillment of Jio client and improving their organization inclusion and to clear out the considering blockage by Reliance Jio Company that is suggests by analyst. By the remarks of clients, Company can achieve the 100% fulfillment and furthermore clients probably won't be switch over to other organization that will make ability for organization.
- **Satyanarayana, Rao and Naidu (2017)** recommended that the purchaser's conduct and rivals' procedures has been changed racially and out of the blue by the presentation of Reliance Jio's free. Subsequent to offering the types of assistance, other versatile organizations are confronting issues. To rival Jio, there is have to make procedures and to reinforce themselves in the business.
- **Prithish and Saxena (2015)**, in general financial advancement of India is contributed fundamentally by Indian Telecom Industry and it is a basic apparatus for development of country. Development of industry is expanded by the different telecom specialist organizations who's bring the offer for voice and information administrations to the clients across various districts of the nation.

- **Boobalan and Jayaraman (2017):** The administration given by Jio clients are palatable as client is the foundation of the organization regarding the clients as a companion is outstanding amongst other approaches to draw in them and make them generally return. It will help in building solid organizations' relationships. In this examination it is discovered that there is a critical connection among pay and fulfillment and there is no huge connection among age and mindfulness level.
- **Pritish and Saxena (2015),** generally financial advancement of India is contributed altogether by Indian Telecom Industry and it is a fundamental device for development of country. Development of industry is expanded by the different telecom specialist organizations who's bring the offer for voice and information administrations to the clients across various locales of the nation.

CHAPTER – 3

RESEARCH STUDY

RESEARCH STUDY

Research is "creative and systematic work undertaken to increase the stock of knowledge". It involves the collection, organization, and analysis of evidence to increase understanding of a topic, characterized by a particular attentiveness to controlling sources of bias and error. These activities are characterized by accounting and controlling for biases. A research project may be an expansion of past work in the field. To test the validity of instruments, procedures, or experiments, research may replicate elements of prior projects or the project as a whole.

A scientific study of nature that sometimes includes processes involved in health and disease. For example, clinical trials are research studies that involve people. These studies may be related to new ways to screen, prevent, diagnose, and treat disease. They may also study certain outcomes and certain groups of people by looking at data collected in the past or future.

PROBLEM DEFINITION

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 recognized 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 analyze 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.

- **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.

- **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 – 4

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.

METHODS OF DATA COLLECTION

- Historical method

Secondary data collection tools to use: -

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 secondary data, i.e., the financial statements of the company. By using the data, I found the various accounting ratios [i.e., current ratio, fixed asset turnover ratio, net profit margin ratio, and debt equity ratio] and their interpretations.

DATA COLLECTION

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

The data collected is:

- Balance sheet
- Statement of profit and loss

The data collected is the financial statements of the Reliance Jio Infocomm Limited. The financial statements are of the year 2018-2019, 2019-2020, 2020-2021, 2021-2022 & 2022-2023.

CHAPTER – 5
DATA ANALYSIS
AND INTERPRETATION

ACCOUNTING RATIOS: -

1] Current Ratio: -

- Formula: -

$$\text{Current Ratio: - } \frac{\text{Current Asset}}{\text{Current Liability}}$$

(In Crore)

YEAR	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023
Current Assets	13,524	28,443	22,435	28,987	29,720
Current Liability	60,930	38,420	30,244	45,503	64,657
Ratio	0.22	0.74	0.74	0.63	0.41

INTERPRETATION: -

- After looking at the current ratio of the company, it can be stated that the ability of the company to meet its obligations is fluctuating from year to year.
- Therefore, from the point of view of the creditors of the company, the company is very risky.
- Thus, the current ratio throws light on the company's ability to pay its current liability out of its current asset. The company Reliance Jio Infocomm Limited does not have a satisfied current ratio.

2] Fixed Asset Turnover Ratio: -

- Formula: -

$$\text{Fixed Asset Turnover Ratio: - } \frac{\text{Net Sales}}{\text{Net Fixed Asset}}$$

(In Crore)

YEAR	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023
Net Sales	40,663	54,316	69,888	76,977	90,786
Net Fixed Assets	1,34,000	1,63,427	1,71,154	2,16,545	2,25,203
Ratio	0.30	0.33	0.40	0.35	0.40

INTERPRETATION: -

- After looking at the Fixed Asset Turnover Ratio of the company, it can be stated that the dependence on the long-term liabilities and creditors are less and the company is following an aggressive working capital policy.
- The Fixed Asset Turnover Ratio is somewhat non-favorable because the turnover of the company is less than the fixed asset of the company.
- The Fixed Asset Turnover Ratio shows the company's ability to meet its immediate obligations promptly.

3] NET PROFIT MARGIN RATIO: -

- Formula: -

$$\text{Net Profit Margin Ratio: - } \frac{\text{Net Profit}}{\text{Net Sales}}$$

(In Crore)

YEAR	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023
Net Profit	2,964	5,562	12,015	14,817	18,207
Net Sales	40,663	54,316	69,888	76,977	90,786
Ratio	0.07	0.10	0.17	0.19	0.20

INTERPRETATION: -

- The Net Profit Margin Ratio of the company states that the contribution by the owner to the net profit of the company is less than that of the contribution by the outside creditors.
- As the Net Profit Margin Ratio is increasing year after year, so it can be said that, the company's long-term solvency position is not very sound.

4] DEBT. EQUITY RATIO: -

- Formula: -

$$\text{Debt. Equity Ratio: - } \frac{\text{Total Liabilities}}{\text{Stakeholder's Fund}}$$

(In Crore)

YEAR	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023
Total Liability	1,55,380	70,749	67,116	1,20,699	2,29,775
Stakeholder's Fund	40,400	1,70,956	1,82,973	1,97,790	2,15,997
Ratio	3.84	0.41	0.36	0.61	1.06

INTERPRETATION: -

- The Debt. Equity Ratio of the company shows that the debt. Equity is somewhat decreasing after the year 2018-2019.
- The decreasing Debt. Equity Ratio shows that the solvency position of the company is becoming sound.

CHAPTER – 6

CONCLUSION AND

LIMITATIONS

CONCLUSION

This research report is conducted to analyze 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 rising. And it has achieved 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 shareholders. 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. Me 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 – 7
RECOMMENDATIONS
AND SUGGESTIONS

SUGGESTION AND RECOMMENDATION

- 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.
- The company should make the balance between liquidity and solvency position of the Company.
- 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.
- The Net profit Margin Ratio is high in every year so it is good for the company.
- 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 – 8

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CHAPTER – 9

ANNEXURE

BALANCE SHEET FOR THE YEAR 2019-2020 AND 2018-2019

(₹ in crore)

Particulars	Notes	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		<u>2,13,262</u>	<u>1,82,256</u>
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		<u>28,443</u>	<u>13,524</u>
Total Assets		<u>2,41,705</u>	<u>1,95,780</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	45,000	45,000
Other Equity	13	1,25,956	(4,600)
Total Equity		<u>1,70,956</u>	<u>40,400</u>
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		<u>32,329</u>	<u>94,450</u>
Current Liabilities			
Financial Liabilities			
Borrowings	17	23,242	3,601
Trade Payables Due to	18		
Micro and Small Enterprises		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		<u>38,420</u>	<u>60,930</u>
Total Liabilities		<u>70,749</u>	<u>1,55,380</u>
Total Equity and Liabilities		<u>2,41,705</u>	<u>1,95,780</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR 2019-2020 AND 2018-2019

		(₹ in crore)	
Particulars	Notes	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

BALANCE SHEET FOR THE YEAR 2021-2022 AND 2020-2021

(₹ in crore)

Particulars	Notes	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		<u>2,89,502</u>	<u>2,27,654</u>
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		<u>28,987</u>	<u>22,435</u>
Total Assets		<u><u>3,18,489</u></u>	<u><u>2,50,089</u></u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	45,000	45,000
Other Equity	12	1,52,790	1,37,973
Total Equity		<u>1,97,790</u>	<u>1,82,973</u>
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		<u>75,196</u>	<u>36,872</u>
Current Liabilities			
Financial Liabilities			
Borrowings	18	26,324	10,832
Trade Payable Does of	19		
Micro and Small Enterprises		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		<u>45,503</u>	<u>30,244</u>
Total Liabilities		<u>1,20,699</u>	<u>67,116</u>
Total Equity and Liabilities		<u><u>3,18,489</u></u>	<u><u>2,50,089</u></u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR 2021-2022 AND 2020-2021

(₹ in crore)			
Particulars	Notes	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

BALANCE SHEET FOR THE YEAR 2022-2023 AND 2021-2022

		(₹ in crore)	
Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	1,45,450	1,32,360
Spectrum	1	75,339	79,692
Other Intangible Assets	1	4,414	4,493
Capital Work-in-Progress	1	43,468	19,223
Spectrum Under Development	1	1,22,357	28,626
Other Intangible Assets Under Development	1	166	4
Financial Assets			
Investments	2	1,108	1,108
Other Financial Assets	3	8	32
Other Non-Current Assets	4	23,742	23,964
Total Non-Current Assets		4,16,052	2,89,502
Current Assets			
Financial Assets			
Investments	5	590	555
Trade Receivables	6	2,418	4,317
Cash and Cash Equivalents	7	447	226
Other Bank Balances	8	408	386
Other Financial Assets	9	3,879	3,611
Other Current Assets	10	21,978	19,892
Total Current Assets		29,720	28,987
Total Assets		4,45,772	3,18,489
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	45,000	45,000
Other Equity	12	1,70,997	1,52,790
Total Equity		2,15,997	1,97,790
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	22,732	16,162
Lease Liabilities		10,293	7,952
Deferred Payment Liabilities	14	1,12,844	37,184
Other Financial Liabilities	15	5,090	6,225
Provisions	16	124	99
Deferred Tax Liabilities (Net)	17	13,796	7,574
Other Non-Current Liabilities	18	239	-
Total Non-Current Liabilities		1,65,118	75,196
Current Liabilities			
Financial Liabilities			
Borrowings	19	12,946	26,324
Lease Liabilities		3,405	2,040
Trade Payables Due of	20		
Micro and Small Enterprises		21	27
Other than Micro and Small Enterprises		3,332	1,993
Deferred Payment Liabilities	14	4,423	-
Other Financial Liabilities	21	31,476	6,067
Other Current Liabilities	22	8,976	8,974
Provisions	23	78	78
Total Current Liabilities		64,657	45,503
Total Liabilities		2,29,775	1,20,699
Total Equity and Liabilities		4,45,772	3,18,489

STATEMENT OF PROFIT AND LOSS FOR THE YEAR 2022-2023 AND 2021-2022

		(₹ in crore)	
Particulars	Notes	2022-23	2021-22
INCOME			
Revenue from Operations	24	90,786	76,977
Other Income	25	362	227
Total Income		91,148	77,204
EXPENSES			
Network Operating Expenses	26	28,474	25,013
Access Charges		948	806
License Fees/Spectrum Charges		9,132	9,074
Employee Benefits Expense	27	1,634	1,422
Finance Costs	28	4,059	4,377
Depreciation and Amortisation Expense	1	18,546	13,615
Selling and Distribution Expenses	29	1,822	1,100
Other Expenses	30	2,104	1,932
Total Expenses		66,719	57,339
Profit Before Tax		24,429	19,865
Tax Expenses			
Current Tax		-	-
Deferred Tax	17	6,222	5,048
Profit for the year		18,207	14,817
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to Profit or Loss		(0)	0
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		0	(0)
Total Other Comprehensive Income for the year(Net of tax)		(0)	0
Total Comprehensive Income for the year		18,207	14,817