

THE STUDY OF FINANCIAL PERFORMANCE OF SELECTED COMPANIES IN TELECOM SECTOR

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ABSTRACT

The Indian Telecom Industry has always been a pivotal part in growth and advancement of India. It played an important role in digitization of systems and processes across several economically important sectors. India is currently in terms of subscribers count which currently stand at 1.18 billion. Majority of this are wireless or mobile users. In recent years telecom sector has expanded rapidly and demand for better network connection and speed along with data consumption has increased rapidly. But does this growth really turning into fortune for the telecom companies or not. What are the adverse effects of such high competition in the telecom sector on the fiscal well-being of the companies? In the context with this, current paper focuses on analysing the financial performance of four companies of telecom trade for the duration of 10 years from 2011-12 to 2019-20. It analyses the fiscal well-being of concerned units on the base of some selected fiscal variables portraying four diverse fiscal parameters that are leverage, liquidity, managerial efficiency and profitability of the concerned units. Current paper also seeks to examine if the financial well-being of diverse units is comparable among them or a significant difference exist in between them also.

KEY WORDS. *Financial performance, Telecom Companies, Profitability, Liquidity, Leverage, Managerial Efficiency*

1. INTRODUCTION

The telecommunication sector plays a very pivotal part in the growth and advancement of each country. It becomes more critical in case of developing countries like India. Due to this, it is a very important part of the Goals for Sustainable Development, prescribed by the United Nations for Sustainable Development for 2030. The reach of this sector is increasing rapidly, we are getting better network connection at remote places also. It is providing various device and elucidation required for digitisation of systems and processes across many important economic sectors like agriculture, health care, banking, education etc in developing countries.

India's telecommunication sector is among the biggest and rapidly expanding networks in the entire world. In last few years it has shown very high growth rate due to the increasing customer demand and favourable policies by the Government. India is currently ranked second in world's telecom market and have a subscriber base of 1.18 billion. Out of this

around 1155 million are wireless telephone or mobile connections. Total tele-density of the entire country is 89% as of November 2019 which is less as compare to 91% in November 2018. The tele-density of urban region is 157% and of rural region, tele-density is at 56.71%. Among different service zones, Himachal Pradesh state had the maximum tele-density of 149% and among the metro cities Delhi is leading with a tele-density of 238%.

India's wireless or mobile services has shown exponential growth in last few years with a share of 98% of total telephone subscriptions. A number of factors are responsible for this such as wider availability of network, option of Mobile Number Portability (MNP), increasing demand for data consumption, affordable tariff plans, continuously expanding 3G and 4G network, continuously evolving technology, favourable policies and regulations from Government. Also, India has an advantage of a vast potential market availability. The rise in cellular phone usage has bestowed Indian economy in various ways such as employment generation, increasing customer benefits, contribution to Indian GDP. Currently cellular industry contributes about 6.5% to India's GDP. This contribution can reach up to 8.2% by the end of 2020.

In terms of internet users India is on second place in the world. The number of internet subscribers were 687 million as on September 2019. As a result of this, in 2019 India surpassed USA in terms of number of app downloads and reached on second position in world. The count of online network users has been enhanced rapidly after the launch of Reliance Jio in September 2016. Due to this the data prices fall rapidly from Rs.180 for each GB in Sept 2016 to Rs.10.52 in December 2016 which is a fall of almost 95% in terms of per GB price. India is now leading the world in terms of monthly data consumption, it increased from 239 MB in September 2016 to 9.1 GB in 2019 per subscriber per month. As a result of this, total wireless data usage in India reached at 19.8 million TB during July-September 2019.

Foreign Direct Investment (FDI) always plays a significant role in growth and advancement of Telecommunication sector in India. FDI inflows increases from Rs 8637 crore in 2015-16 to Rs 29724 crore in 2019-20. This is a substantial increase which indicates that foreign investors have gained faith in Government policies, ease of doing business in India has improved a lot and also future growth prospectus of Indian telecom sector is bright. 100% FDI is now allowed in telecom sector by the Government out of which up to 49% can be brought in without government approval and the rest will be through Government route or approval.

2.LITERATURE REVIEW

R. Ananthi and R. Sriram (2012) conducted the study for performance assessment of selected telecommunication companies. They applied numerical taxonomic approach for doing this. This is a type of rating method which ranks selected subject by using a sum of ratios or indices. Here they considered fiscal ratios as a tool for measuring the performance. The study was based on secondary information collected from the financial documents of the telecom companies. The observation duration was of five years, starting from 2004-2005 to 2008-2009. They take average value of all financial ratios in consideration and then applied taxonomy method to it. The result of the study reported that the companies are at diverse positions (within these rankings) in terms of respective financial ratios calculated.

Dr Sanjay Pandey and Vijay Verma (2013) has conducted the study to analyse the fiscal soundness of telecommunication companies. They have considered certain important fiscal factors like asset utilisation, turnover, profit and the other variables which are found in P&L account, balance sheet of a company. By using these variables one can analyse fiscal soundness in terms of viability, liquidity, sustainability, profitability. They focused on an empirical approach to measure fiscal soundness and to identify important fiscal aspects and their effect on telecom companies. They have collected the data from CMIE database and from financial statements of four telecom companies. They have carried out their analysis using F-TEST. In their study they found out that there is a noticeable difference in performance of telecommunication companies on the basis of the considered fiscal ratios.

Neha Verma and Rahul Sharma (2013) conducted the study to observe the impact of different form of mergers on the financial performance of companies before and after merger took place, in Indian Telecom Sector. A total of 39 mergers were considered for the study which were from time period between 2001-2002 to 2007-2008. The comparison was made between three type of mergers which are, horizontal, vertical and conglomerate merger. The data is secondary and include fiscal performance ratios which are collected from PROWESS, a CMIE database. 3 years pre & post fiscal ratios were taken in consideration for each merger. The result depicted that the merger aftermath were comparable for all forms of merger, meaning that they did not affect the performance of the firms after the merger during the period of study.

Mohmad Mushtaq Khan and Dr. Syed Khaja Safiuddin (2016) conducted the study to analyse the fiscal performance of concerned telecommunication companies, on the basis of liquidity and profitability performance. They used fiscal ratios and indicators to evaluate the performance and determine the fiscal health condition of companies. The study was based on secondary data which was collected from the fiscal documents of selected companies which are Airtel and Vodafone. The variables which they used are various financial ratios. Statistical data analysis was done by using mean. They found out that an enormous difference is present in the fiscal performance of concerned Telecommunication companies on the basis of liquidity and profitability performance.

A Chaitra and Dr T Rajendra Prasad (2017) carried out a study for investigating the trends in fiscal performance of the telecom sector in India. They have considered both public and private sector companies for their study. They also examined financial performance trends in these two sectors respectively. They used secondary data for the study, retrieved from various yearly documents of the Telecom regulatory Authority of India (TRAI) for the period 2010-16. They used simple statistical tools such as averages and compounded annual growth rates (CAGR) and simple linear regression model for the data analysis. The result of their research was that telecom sector was showing a positive upward movement in terms of financial performance during their observed period.

Atashi Bedi (2018) conducted the study to evaluate the disparity between pre-&post-acquisition fiscal performance of concerned telecommunication companies in terms of profitability, liquidity and solvency. Five year data has been taken for study of which two years are of before merger, two years after merger and year in which merger happened were considered. The analysis was based on various accounting ratios. The statistical tool used for analysis is sample t-Test. The result depicted that no diversity is there in the avg. scores of

considered accounting ratios evaluated in the pre-&post-merger duration. So, a conclusion can be given that overall fiscal performance of the concerned companies didn't enhanced in shorter duration after merger & acquisition.

Rajat Kathuria and Mansi Kedia (2019) conducted a study to check the fiscal health of the telecom sector by calculating profitability & viability in terms of various financial parameters such as revenue, cash flow, asset utilization or implementation, operating margins, return on equity and leverage. They considered a seven-year period between 2011 and 2018 for the analysis. The study covers both public and private sector operators. They presented weighted average values to overcome any structural differences between the companies. Industry across means were given in all cases to show overall sector tendency. Fiscal data is obtained from annual reports and fiscal documents of the concerned companies. Result indicated that the fiscal health of the telecom sector was towards declining phase especially towards the terminal years of analysis.

Dr. Marimuthu, KN and Dr. Syed Azhar (2019) conducted the study to evaluate the fiscal strength of Indian telecommunication companies. The observation duration for the evaluation was from year 2013-14 to year 2017-18. The study was quantifiable and utilized Altman 'Z' score tool for recognizing the fiscal stability of concerned companies. The data is secondary and was collected from yearly fiscal documents of the concerned companies for five year period under observation. The companies which were evaluated include Bharti Airtel, Vodafone Idea and RCOM. The statistical analysis was done using Dr. Edward I. Altman's Multiple Discriminate Analysis on various financial ratios. The result of the study concluded that Bharti Airtel's financial position was better and satisfactory as compared to that of Vodafone Idea and RCOM. Also, the entry of any such new service provider can completely disrupt the telecom industry.

Ajmera Tushar R. (2020) conducted the study to measure profitability of selected companies of telecommunication sector in India. The study was also focused on identifying liquidity and solvency of the selected telecommunication companies, and how these indicators determine their management efficiency. The study period was from 2013-14 to 2017-18. Three companies were selected whose market capitalization was highest, i.e. Bharti Airtel, Tata Communication and Tata Communication. The ratio analysis was used as accounting tool and One-way Anova technique is used as statistical tool for the identification of difference between the sample means. Net profit margin ratio and return on capital methods were used for analysing the data. The secondary data was retrieved from yearly fiscal reports of concerned companies and various other relevant sources. The result indicated that Bharti Airtel and Tata Communication are in a better financial condition as compared to Reliance Communication. Also, the results of the study reveal that Reliance Communication suffered huge losses during the study period.

Dr. V. Devaki (2020) conducted the study to provide an overview of the capital structure of three private telecom service provider companies. Airtel, Vodafone and Tata Teleservices were considered for the study on the basis of some selection parameters. The study provides us an insight into the financing pattern, profitability, indebtedness and the components of capital structure of the selected telecom companies. The study focused on equity share capital parameter of the companies and the data was analysed using average mean statistical tool. The result depicted that the company capital structure is important for maintaining a good

solvency position. This also confirms the theory that research and development activities will increase due to company capital structure.

3.NEED OF THE STUDY

Most of the studies above have considered very few financial parameters or few financial variables. And very few of them have conducted ANOVA Test to check the significant difference between the companies on the basis of Financial ratios.

3.1 PURPOSE OF THE STUDY

The purpose of this paper are as follows

- Evaluating financial performance of chosen telecom associations.
- Correlating leverage position of chosen telecom associations.
- Correlating management efficiency of chosen telecom associations.
- Correlating profitability performance of chosen telecom associations.
- Correlating liquidity of chosen telecom associations.
- Testing any significance difference is present in concerned variables or not.

4.RESEARCH METHODOLOGY

Indian Telecom sector has two type of operators viz. Private owned and Public owned. Majorly we have private operators and very few public operators. There are very few companies present in this sector. Majority of private companies are listed in the stock market but very few public sector companies are listed. The present paper studies the Indian Telecom Companies on the basis of four diverse fiscal parameters.

4.1 SAMPLE

Current paper studies the fiscal performance of four telecom units under this segment. The company choice is done on the basis of market share and whether the company is listed in stock market or not. The selected companies are Bharti Airtel limited, Vodafone-Idea limited, Tata communications and Reliance Communications.

4.2 NULL HYPOTHESIS

The study offers to evaluate the subsequent null hypothesis.

Ho1: No significant difference is present in profitability of chosen companies.

Ho2: No significant difference is present in leverage of chosen companies.

Ho3: No significant difference is present in liquidity of chosen companies

Ho4: No significant difference is present in managerial efficiency of chosen companies

4.3 DATA

Current study is broadly analytical and target on fiscal performance evaluation of Indian Telecom companies. Different tools are available for investigating the productivity level, but the fiscal ratio evaluation is best suited for the purpose and has been administered in current paper for analysis. Current study focuses on investigating presence of any significant difference in the fiscal performance of the chosen companies on the side of four criteria's which are profitability, leverage, liquidity and managerial efficiency. Profitability of the selected units is evaluated considering five different variables which are Adjusted Earnings Per Share (EPS), Dividend Per Share, Operating Margin, Net Profit Margin and Return on

Net Worth/Equity. The analysis of Liquidity condition in the companies was done using Quick Ratio & Current Ratio. The Managerial efficiency of an organization focuses on efficient utilization of all assets present, so managerial efficiency is tested using Fixed Asset Turnover Ratio & Inventory Turnover Ratio. The Leverage of the selected units is evaluated through Long-Term Debt/Equity Ratio. The data which has been used for analysis is secondary nature data and has been retrieved from various online sources and fiscal reports of the selected companies. The data retrieved is for a duration of 10 years from 2011-2012 to 2019-2020.

5. DATA ANALYSIS

The fiscal performance of chosen telecom units is analyzed using various fiscal ratios. The statistical tools which have been used for data interpretation are averages (mean), standard deviation, minimum and maximum. The study is also conducted to evaluate whether the fiscal performance of chosen telecom units in terms of ratios is similar or have a significant difference. For testing the significant difference in financial performance ONE WAY ANOVA TEST is used. The analytical results are tested at 95% level of confidence (5% level of significance). When the evaluated value of F Ratio comes higher than the critical value at the 5% level of significance then the null hypothesis will be rejected and if the F Ratio value comes less than the critical value corresponding null hypothesis will be accepted.

5.1 LIMITATIONS

The analysis is done on the basis of secondary data collected from various sources; therefore, the authenticity will be subjected to the available data. The sample size is also very limited as very few companies are there in Telecom Sector. The time period considered for study is also limited to ten years.

5.2 FINDINGS

COMPARISON OF SELECTED COMPANIES

LIQUIDITY RATIO ANALYSIS

This analysis is used to check the ability of an organization to pay its liabilities on definite time period. This analysis is of utmost importance to the creditors and lenders who will be interested in knowing the financial condition of the organization before giving them the loan. If the ratios are higher than the idle, then the company is in financially sound condition and can easily pay its liabilities and if the ratios are lower than it will not be a good idea to invest in that company.

CURRENT RATIO ANALYSIS

	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
R. COM.	0.45	0.74	0.95	0.61	0.72	1.26	0.76	0.89	0.88	0.61
AIRTEL	0.63	0.32	0.49	0.47	0.41	0.64	0.35	0.32	0.73	0.31
VODA-IDEA	0.23	0.36	0.91	0.39	0.3	0.89	0.26	0.39	0.29	0.36
TATA COM.	0.65	0.64	0.7	0.67	0.84	0.79	1.06	0.96	0.53	0.61

Table 1 Current Ratios of the selected firms; source: moneycontrol.com

RATIO	R. COM.	AIRTEL	VODA-IDEA	TATA COM.
MEAN	0.787	0.467	0.438	0.745
STD. DEV.	0.212887	0.145262	0.23659248	0.1576864
HIGH	1.26	0.73	0.91	1.06
LOW	0.45	0.31	0.23	0.53

Table 2 Mean, Std. Dev & Range of Current Ratios

Current Ratio compares all current assets to all current liabilities. From the table it can be seen that the current ratio of all companies has increased significantly till 2015 or 2016, but after that it started falling for all the companies. Airtel has been able to gain the most and Tata Com. Maintain its position in the ten-year span. Currently none of the company is in good financial health to repay the debts or credits on them.

QUICK RATIO ANALYSIS

	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
R. COM.	0.45	0.74	0.95	0.61	0.71	1.25	0.75	0.87	0.85	0.6
AIRTEL	0.63	0.32	0.49	0.47	0.41	0.64	0.35	0.32	0.73	0.31
VODA-IDEA	0.23	0.36	0.9	0.39	0.29	0.89	0.25	0.38	0.28	0.36
TATA COM.	0.63	0.62	0.69	0.67	0.83	0.79	1.05	0.96	0.52	0.61

Table 3 Quick Ratios of the selected firms; source: moneycontrol.com

RATIO	R. COM.	AIRTEL	VODA-IDEA	TATA COM.
MEAN	0.778	0.467	0.433	0.737
STD. DEV.	0.209848	0.145262	0.23681427	0.15943964
HIGH	1.25	0.73	0.9	1.05
LOW	0.45	0.31	0.23	0.52

Table 4 Mean, Std. Dev & Range of Quick Ratios

Quick Ratio compares the amount of cash and investment that can be converted into quick cash to the short-term liabilities. It can be seen that all companies have been lacking in the cash almost throughout the ten years period and none of them have enough cash to repay the current liabilities.

MANAGERIAL EFFICIENCY ANALYSIS

This ratio is used to measure the efficiency of the managers or the management team in the optimum utilization of the assets or resources of the company. So, to keep the efficiency optimal one need to keep an adequate ratio of assets to turnover.

INVENTORY TURNOVER RATIO

	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
R. COM.	25.56	22.61	34.86	32.75	83.97	53.74	41.55	37.06	33.77	39.64
AIRTE	17,52	49,60	8,517	15,96	11,37	5,903	45,38	21,59	1,296	1,105

L	1.65	6.00	.94	8.28	7.42	.87	0.45	5.67	.07	.17
VODA-IDEA	0	0	820.9	650.7	420.5	4	3	9	364.1	4
TATA COM.	84.17	85.41	213.9	341.7	749.6	1,093	1,054.	1,051.	9,092	676.3
			9	5	6	.51	55	46	.82	6

Table 5 Inv. Turnover Ratios of the selected firms; source: moneycontrol.com

RATIO	R. COM.	AIRTEL	VODA-IDEA	TATA COM.
MEAN	40.551	17827.25	402.658	1444.368
STD. DEV.	16.61026	16155.98	246.998655	2577.3477
HIGH	83.97	49606	820.9	9092.82
LOW	22.61	1105.17	0	84.17

Table 6 Mean, Std. Dev & Range of Inv. Turnover Ratios

This measures the efficiency of the management in terms of how many times has it been able to sell the inventory. Higher ratios will indicate high amount of sales. It can be seen from the table that only Airtel has been able to reach high amount of sales and maintain its sales. All other companies have failed miserably to deliver and as a result their ratios have declined significantly and presently, they have hit their bottom marks.

ASSET TURNOVER RATIO

	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
R. COM.	1.8	2.22	3.98	4.78	13.49	14.33	14.53	14.83	12.96	13.47
AIRTEL	18.08	22.25	26.18	32.49	32.58	43.89	50.83	51.6	51.79	53.11
VODA-IDEA	19.53	15.81	27.29	36.83	45.51	54.23	59.35	64.03	62.21	53.55
TATA COM.	42.62	42.72	39.68	38.55	38.25	36.81	38.32	41.26	37.69	31.53

Table 7 Asset Turnover Ratios of the selected firms; source: moneycontrol.com

RATIO	R. COM.	AIRTEL	VODA-IDEA	TATA COM.
MEAN	9.639	38.28	43.834	38.743
STD. DEV.	5.34355	12.83071	17.0011101	3.08857265
HIGH	14.83	53.11	64.03	42.72
LOW	1.8	18.08	15.81	31.53

Table 8 Mean, Std. Dev & Range of Asset Turnover Ratios

This ratio measures the management efficiency in terms of how much sales are they generating from their fixed assets. Higher ratio means that company is utilizing their assets properly and generating high amount of sales from it. It can be seen that the ratio of all companies except Tata Com. has declined significantly across the ten-year period and currently they are unable to utilize their resources properly. Tata Com. has been able to utilize its resources better and also keep it less deviant across the period.

LEVERAGE (LONG-TERM SOLVENCY) ANALYSIS

These ratios are used to analyze whether the company will be able to get more finance in future or not. It also tells us about all the risks associated with a financing activity. Lower the value of these ratios, better is the condition of the associated companies.

LONG TERM DEBT / EQUITY RATIO

	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
R. COM.	-0.86	2.29	3	1.1	1.02	0.76	0.96	0.92	0.62	0.48
AIRTEL	0.81	0.85	0.61	0.56	0.38	0.26	0.13	0.24	0.29	0.23
VODA-IDEA	10.71	1.71	1.86	2.18	1.52	0.74	1.14	0.8	0.78	0.75
TATA COM.	0.07	0.04	0.06	0.08	0.08	0.06	0.12	0.1	0.13	0.2

Table 9 Leverage Ratios of the selected firms; source: moneycontrol.com

RATIO	R. COM.	AIRTEL	VODA-IDEA	TATA COM.
MEAN	1.029	0.436	2.219	0.094
STD. DEV.	0.980107	0.242248	2.87348377	0.04409082
HIGH	3	0.85	10.71	0.2
LOW	-0.86	0.13	0.74	0.04

Table 10 Mean, Std. Dev & Range of Leverage Ratios

A high value of this ratio indicates that the company is trying to enhance its growth by taking huge amount of debt. Which in long run will be very costly as they have to pay high interest on the debt and the company may end up being defaulted. Only Voda-Idea group ratio has increased significantly during the course of 19-20, signifying that they have taken a huge debt to meet their expense. All the other companies have performed normal during the study period and their creditors must have feel good during the period.

PROFITABILITY ANALYSIS**OPERATING MARGIN (%)**

This ratio measure how much profit a company makes on unit sale after excluding variable costs of production. It can be seen that the operating profit margin has increased for all companies till the mid years but in the later years all of them suffered a huge cut in their profits and R Com is suffering a huge loss. Only Tata Com. Has been able to maintain a steady performance throughout the period.

	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
R. COM.	-197.06	22.26	2.86	3.7	4.22	0.47	9.28	23.07	12.78	-0.11
AIRTEL	3.65	-0.4	9.3	18.74	21.4	30.74	19.87	17.87	20.07	23.8
VODA-	-18.3	-	-7.41	7.25	16.33	16.85	12.37	9.53	9.07	7.53

IDEA		25.65								
TATA COM.	13.47	7.92	14.91	8.12	13.75	22.67	17.86	13.99	11.24	10.71

Table 11 Operating Margins of the selected firms; source: moneycontrol.com

RATIO	R. COM.	AIRTEL	VODA-IDEA	TATA COM.
MEAN	-16.305	16.504	2.757	13.464
STD. DEV.	61.23006	9.020234	13.9916676	4.22314622
HIGH	23.07	30.74	16.85	22.67
LOW	-197.06	-0.4	-25.65	7.92

Table 12 Mean, Std. Dev & Range of Operating Margins

NET PROFIT MARGIN (%)

	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
R. COM.	-5,542.54	206.45	-442.4	-50.77	-3.79	-1.42	6.53	5.53	1.4	-6.24
AIRTEL	-66.43	-3.76	0.14	15.93	12.9	23.78	13.22	11.23	13.77	20.29
VODA-IDEA	-163.55	38.13	16.02	-2.35	7.39	8.98	6.46	3.71	2.99	5.5
TATA COM.	3.63	-8.2	5.2	13.61	8.19	15.61	12.39	10.76	4.18	4.5

Table 13 Net Profit Margins of the selected firms; source: moneycontrol.com

RATIO	R. COM.	AIRTEL	VODA-IDEA	TATA COM.
MEAN	-582.725	0.921	-18.502	6.987
STD. DEV.	1660.274	25.11267	50.2706282	6.49821214
HIGH	206.45	23.78	8.98	15.61
LOW	-5542.54	-66.43	-163.55	-8.2

Table 14 Mean, Std. Dev & Range of Net Profit Margins

This ratio tells us about the net profit or income earned by a company on per unit revenue. It can be seen that except tata com all other companies are operating in losses. R Com and Voda-Idea are operating under huge losses. Tata Com has been able to maintain a steady profit margin across the study period.

DIVIDEND PER SHARE

	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
R. COM.	0	0	0	0	0	0	0	0.25	0.25	0.5
AIRTEL	2	2.5	5.34	1	1.36	3.85	1.8	1	1	1
VODA-	0	0	0	0	0.6	0.6	0.4	0.3	0	0

IDEA										
TATA COM.	4	4.5	4.5	6	4.3	5.5	4.5	3	2	2

Table 15 DPS Ratios of the selected firms; source: moneycontrol.com

RATIO	R. COM.	AIRTEL	VODA-IDEA	TATA COM.
MEAN	0.1	2.085	0.19	4.03
STD. DEV.	0.165831	1.385837	0.24677925	1.26810883
HIGH	0.5	5.34	0.6	6
LOW	0	1	0	2

Table 16 Mean, Std. Dev & Range of DPS Ratios

This ratio tells us about the sum of all declared dividends issued for every outstanding share by a company. Tata Com is the only company which is giving a sufficient amount of dividend to its shareholder throughout the time course. All other companies are giving very less and none dividend. This shows that Tata Com is a shareholder concerned company who always want to share their profits with the shareholders.

ADJUSTED EPS

	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
R. COM.	-165.21	10.37	38.22	-7.28	-1.54	-0.66	3.54	3.02	0.76	-3.67
AIRTEL	71.08	-4.36	0.2	24.84	19.46	33.02	16.69	13.42	15.09	20.32
VODA-IDEA	26.97	20.33	12.07	-2.31	7.35	7.94	5.09	2.47	1.74	2.56
TATA COM.	7.33	15.52	9.36	24.2	13.78	23.67	19.03	16.68	6.01	5.7

Table 17 Adjusted EPS Ratios of the selected firms; source: moneycontrol.com

RATIO	R. COM.	AIRTEL	VODA-IDEA	TATA COM.
MEAN	-19.889	1.792	-3.453	11.024
STD. DEV.	49.99843	28.67857	11.5374824	11.0076966
HIGH	10.37	33.02	7.94	24.2
LOW	-165.21	-71.08	-26.97	-15.52

Table 18 Mean, Std. Dev & Range of Adjusted EPS Ratios

This ratio tells us about the earnings after some adjustment per outstanding share. It can be seen that earnings of all companies is falling from 2011 to 2020. Only Tata Com is able to earn some across the period. All other companies are suffering huge losses.

RETURN ON NET WORTH PER EQUITY

	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
R. COM.	0	22.98	105.94	-7.45	-1.38	-0.42	2.32	1.88	0.34	-1.57

AIRTEL	-35.7	-1.9	0.07	-9.8	6.96	16.86	9.89	9.41	11.59	17.49
VODA-IDEA	-812.45	-	-	-3.5	10.68	12.83	10.83	5.83	4.45	6.84
TATA COM.	2.53	-5.39	3.02	7.45	4.41	8.07	6.87	6.32	2.4	2.31

Table 19 Return on Net Worth per Equity Ratios of the selected firms; source: moneycontrol.com

RATIO	R. COM.	AIRTEL	VODA-IDEA	TATA COM.
MEAN	-8.924	2.487	-80.118	3.799
STD. DEV.	33.20251	15.07177	244.355598	3.72236874
HIGH	22.98	17.49	12.83	8.07
LOW	-105.94	-35.7	-812.45	-5.39

Table 20 Mean, Std. Dev & Range of Return on Net Worth per Equity Ratios

This ratio tells us about how much return are shareholders getting for their investment in an organization. Whether the company is sharing its profit with the shareholders or not. It can be seen that only Tata Com is sharing its profit or earnings with its shareholders. Everyone else is unable to earn anything and hence unable to deliver it to their shareholders.

5.3 HYPOTHESIS TESTING

SIGNIFICANCE DIFFERENCE TEST

ANALYSIS	F VALUE (AT 95% LEVEL OF SIGNIFICANCE)
LIQUIDITY	
CURRENT RATIO	8.114848944
QUICK RATIO	7.853961088
MANAGERIAL EFFICIENCY	
INVENTORY TURNOVER RATIO	9.990702334
FIXED ASSET TURNOVER RATIO	17.65276411
LEVERAGE (LONG TERM SOLVENCY)	
LONG TERM DEBT/ EQUITY RATIO	3.380088651
PROFITABILITY	
OPERATING MARGIN (%)	1.95755828
NET PROFIT MARGIN (%)	1.095564848
DIVIDEND PER SHARE	34.43104108
ADJUSTED EPS	1.692796954
RETURN ON NET WORTH PER EQUITY	0.944819254

Table 21 Results of ANOVA TEST

The critical value of F-Ratio at 95% level of significance is 2.866. For liquidity, Managerial Efficiency and Leverage, all chosen variables has F ratio value higher as compared to critical value, therefore null hypothesis will be rejected for all these and a conclusion can be given that there is a significant difference in the fiscal performance of chosen companies in terms of Liquidity, Managerial Efficiency and Leverage. For profitability, we can see a different picture. Here, Operating Margin, Net Profit Margin, Adjusted EPS & Return on Net worth/Equity has a F Ratio value lesser than critical value. So, we can say that all selected companies are behaving in the same way for all these profitability variables and no significant difference is present in their performance. Only for DPS the F Ratio value is greater than critical value, so for this profitability variable we can say that a significant difference is present in performance for all the selected companies.

6. CONCLUSION

The current study on chosen telecom units which is done for a duration of ten years (from 2011-12 to 2019-20) reveals that there is significant difference in the financial management of the companies. Tata Com has performed well across all financial variables except Liquidity. The company has performed exceptionally well in terms of profitability ratios as compare to all its fellow competitors. Airtel and Tata Com has been able to maintain a decent Liquidity as compare to other companies and they were in better position to repay their debts. Airtel performs exceptionally well in terms of Inventory Turnover Ratio which depicts that they have been able to convert their inventory into sales very well. Tata Com has outperformed all others in Asset Turnover Ratio depicting that it has utilized its assets very well. Only Tata Com has been able to keep their leverages low and Voda-Idea has a very high leverage ratio signifying that they have taken a very huge debt recently. In terms of Profitability variables, all companies have performed extremely poor signifying that they were unable to generate any profit in the later years. This could be due to the very heavy competition in this sector in terms of tariff price initiated by Jio and which is causing very less or no profit to these companies.

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