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A COMPARATIVE ANALYSIS OF FINANCIAL STATEMENTS BEFORE AND AFTER THE PARTNERSHIP OF VODAFONE AND IDEA LIMITED

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ABSTRACT:
This paper conducts a comparative analysis of the financial performance of Vodafone India and Idea cellular before and after their merger into Vodafone idea Limited. This research analyses key financial statements such as income statement, balance sheet and cash flow statement in order to determine the overall effect of the partnership on the financial health of the companies. Based on the analysis, key financial ratios such as profitability, liquidity and solvency are scrutinized to derive changes in stability, efficiency and growth prospects. The analytical study reveals the impact of the merger on revenue streams, cost structures and market position both for the merging companies in the telecommunication sector. This research focuses on the corporate mergers of Vodafone Idea Ltd. after the merger by providing insights on the financial impact and strategic advantages and disadvantages.
KEYWORDS: Vodafone, idea, pre- and post-merger, telecom industry.

INTRODUCTION:
The partnership between Vodafone India and Idea Cellular in 2017 marked a significant milestone in the Indian telecommunications industry. This strategic merger aimed to combine the strengths of two leading telecom giants to create a unified entity capable of competing effectively in a highly competitive market. This study examines the financial statements of both companies before and after the partnership, providing a detailed analysis of their financial performance, operational efficiency, and overall market impact.
The pre-merger period is characterized by intense competition, declining revenues, and the financial stress faced by both Vodafone and Idea due to market disruptions caused by the entry of Reliance Jio. In contrast, the post-merger period highlights the financial dynamics of a merged entity navigating through integration challenges, synergies, and market repositioning.
This study aims to evaluate the financial health, profitability, and sustainability of Vodafone Idea Ltd. by comparing key financial metrics such as revenue, operating profit, net profit, and debt levels during both periods. The findings provide insights into the effectiveness of the merger in addressing financial challenges and achieving long-term growth in a rapidly evolving industry.

STATEMENT OF THE PROBLEM
The telecom sector in India has seen changes lately with the merger of Vodafone India and Idea Cellular in 2017 resulting in the birth of Vodafone Idea Limited company a move aimed at bolstered competition and cost savings while enhancing operational effectiveness. However, the concrete financial effects of this merger on the stability of the entity continue to be a topic, under scrutiny and discussion. This study aims to analyze and contrast the results of Vodafone and Idea both prior and post the collaboration arrangement they entered together.
The main focuses are on evaluating shifts in measures like income generation level, business profitability, borrowings as well as market participation to ascertain whether the merger led to the expected advantages or presented fresh complications. The discoveries obtained will offer perspectives on how successful the merger plan was and will add to a comprehension of the consequences of mergers and acquisitions, within the telecommunications industry.

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REVIEW OF LITERATURE:

Rahul Pradhan and Subhasree (2024) in their study "An Analysis of the Financial Performance of Pre- and Post-Merger of Vodafone Idea". The main aim of the research is conducted to analyse the financial performance of Vodafone Idea between pre- and post-merger. This study carries about the merger between Vodafone and Idea in India aimed to enhance competitiveness and operational efficiency. This research study focuses on analysing the financial performance of Vodafone Idea before and after the merger, looking at key aspects like profitability, liquidity, and leverage ratios. Findings reveal challenges and improvements post-merger, indicating the need for strategic interventions for long-term sustainability. Hypothesis testing shows no significant differences in liquidity and profitability ratios post-merger.

Ashok Panigrahi (2020) in his research paper identifies that "A Post-Merger Analysis of Vodafone-Idea Ltd". The main concept of this research is to examine the merger between Vodafone India and idea and the specifies of their deal and it carries this merger did not only create a telecom giant but has had wide-ranging implications for the industry, services, the staff and consumers as well as it pushed more merger moves in the telecom sector. In this paper, the current scenario of Indian telecom market is also analysed to understand where Vodafone-Idea stand today.

Suruchi Satsangi and Prem Das Saini (2022) in this paper attempts a study on "Merger and Acquisition and Its Impact on Profitability Performance of Selected Merger (With Reference to Vodafone Idea Merger)". The work is an analytical study showing the merger and acquisition between Vodafone-Idea and its effect on the profitability performance of the firm by using analytical research and secondary data sources, looking into the two-year period preceding the merger as well as the two years following it and utilizing ratios and a T-test as analytical tools.

Joshi Shubham Ashokbhai and Belim Mohammad Shakil (2022) carried out the studies were conducted on "Merger of Vodafone and Idea Cellular." In order to avert the monopoly of Jio in the Indian telecom market, Vodafone India and Idea Cellular merged in 2017. The main scope of the study is to analyse the impact of the merger on both entity and the specifics of their deal. This merger gives rise to a telecom giant which now holds a sway over its markets, services, employees and customers.

Aashka Thakkar, Rahulkumar R. Jadav and Hetal Kachchhava (2022) in their study on "Vodafone and Idea: An Analysis of Financial Impact of Merger", due to Jio's dominance and consequent industry consolidation. Vodafone India comes second in the lineup of India in terms of the number of subscribers, while Idea Cellular, which belongs to the Aditya Birla Group, comes after that. The main aim of the study is to examine the merger between Vodafone and Idea and the specifics of their deal and the consumer expectations from the Vodafone idea limited. This article examines the current status of Vodafone and Idea post-merger announced on March 20, 2017.

Keyur Pancholi (2024) in his study examined that "Merger of Idea and Vodafone". The main aim of the study is to analyse the impact such as financial impact, stakeholder impact, strategic impact of the merger on both entities. This merger did not only create a telecom giant but has had wide ranging implications for the industry, services, the staff, and consumers as well as it pushed more merger moves in the telecom sector. This paper explains the current scenario of the Indian telecom market is also analysed to understand where Vodafone-idea stands today.

Rahul Pal and Shweta Shirolkar (2022) have analysed that the "Study of Vodafone-Idea ltd Merger". In this paper they have a study about the financial results and the reason behind the merger of Vodafone and Idea. The cycle of Mergers happens because of the outrageous contests, an innovation of innovation, vital corporate embarrassments, and bouncing of securities exchanges instability gave tension to the corporate organizations to give better benefits to their investors.

Naman Jain and Sai Srinivas Reddy (2021) in their study identifies "Merger and Acquisition in the Ambit of Indian Companies Act 2013". The main scope of the research paper is to review the Vodafone India and Idea cellular into Vodafone Idea ltd. The document focuses on the largest acquisition in India of 2017, the merger of Idea Cellular with Vodafone India under the Companies

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Act 2013, which led to the emergence of the largest subscriber telephone company in India, replacing Airtel which had the largest clientele in the last 15 years.

OBJECTIVES OF THE STUDY:

- To examine the profitability position of the company.
- To analyse the liquidity and solvency position of the Vodafone Idea ltd.

RESEARCH METHODOLOGY:

This study will use a comparative quantitative research design to analyse and compare the financial performance of Vodafone and Idea Ltd before and after their merger. Secondary data will be collected from financial statements, including income statements, balance sheets, and cash flow statements, for the periods 2012-2017 (pre-merger) and 2019-2024 (post-merger). Key financial ratios (profitability, liquidity and solvency) will be analysed using descriptive statistics such as mean, standard deviation, and coefficient of variation, followed by comparative analysis. This methodology will provide insights into the financial impact of the Vodafone-Idea merger.

SOURCES OF DATA

The secondary sources of data for this project are the financial statements of Vodafone India and Idea Cellular, which include the Profit and Loss Account, Balance Sheet, and Cash Flow Statements for at least five years before and after the partnership. These documents provide detailed insights into the company's revenue, profitability, asset utilization, and financial stability.

TOOLS USED:

- Ratio Analysis.
- Mean.
- Standard Deviation.
- Coefficient of Variation.

LIMITATIONS OF STUDY:

- The period of the study is restricted to 5 years.
- The study cannot be covered to all the areas.

DATA ANALYSIS AND INTERPRETATION:

RETURN ON EQUITY

RETURN ON EQUITY = NET PROFIT / EQUITY SHAREHOLDER *100

TABLE 1: Return on Equity

Before							After			
Year	Vodafone			Idea			Year	Vodafone Idea Ltd		
	Net Profit	Equity Sh. holder	ROE	Net Profit	Equity Sh.holder	ROE		Net Profit	Equity Sh.holder	ROE
2012-2013	-207	27042	-7.665	1967.8	14303	13.76	2019-2020	-7313	9001.3	-812.46
2013-2014	-198	2900	-68.58	3192.9	17525	18.22	2020-2021	-4629	-37708	122.77
2014-2015	-671	33000	-20.36	2174.2	23017	9.45	2021-2022	-2823	-61436	45.96

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2015-2016	-709	36000	-19.71	-4075	25077	-16.25	2022-2023	-2930	-73839	39.69
2016-2017	-721	38000	-18.99	-4139.9	27732	-14.93	2023-2024	-3123	-103644	30.138
Mean			-27.06	Mean		2.049	Mean			-114.78
SD			23.79	SD		16.40	SD			391.753
CV			-113.7	CV		12.49	CV			-29.298

Vodafone Idea Ltd has faced ongoing financial struggles, with both Vodafone and Idea showing poor performance. Vodafone's net profit was negative, with a Return on Equity (ROE) of -68.59% in 2013-2014 and -812.45% in 2019-2020, averaging -27.06%. Idea also struggled, with a -812.45% Return on Equity in 2019-2020 but briefly improving to 122.77% in 2020-2021. The combined Vodafone Idea Ltd saw an average Return on Equity of -114.78% with high volatility, though recent years show recovery, with Return on Equity improving to 45.96% in 2021-2022 and 30.14% in 2023-2024.

RETURN ON ASSET:

RETURN ON ASSET=NET PROFIT/TOTAL ASSET*100

TABLE 2: Return on Asset

Before							After			
Year	Vodafone			Idea			Year	Vodafone Idea Ltd		
	Net Profit	Total Assets	ROA	Net Profit	Total Assets	ROA		Net Profit	Total Assets	ROA
2012-2013	-2073	135785	-1.526	1967.8	43706.8	4.5023	2019-2020	-73132	228886	-31.951
2013-2014	-1989	118677	-1.675	3192.9	47154.2	6.7712	2020-2021	-46294	203131	-22.79
2014-2015	-6719	124759	-5.385	2714.2	52722.8	5.1481	2021-2022	-28237	193931	-14.5604
2015-2016	-7096	133347	-5.321	-404	59014.6	-0.685	2022-2023	-29308	207273	-14.1397
2016-2017	-7218	110547	-6.529	-4139.9	64220.8	-6.446	2023-2024	-31236	185001	-16.8843
Mean			-4.087	Mean		1.8581	Mean			-20.06
SD			2.320	SD		5.4172	SD			7.487
CV			-176.14	CV		34.301	CV			-267.9

Both Vodafone and Idea, along with their combined performance as Vodafone Idea Ltd, faced significant challenges in Return on Assets (ROA). Vodafone's Return on Assets remained negative, ranging from -1.53% in 2012-2013 to -6.53% in 2016-2017, with an average of -4.09%. Idea showed a more stable, yet negative, ROA, from 4.50% in 2012-2013 to -6.45% in 2016-2017, averaging 1.86%. Vodafone Idea Ltd had a much worse average Return on Assets of -20.07%, with the worst

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performance at -31.95% in 2019-2020. However, there was slight improvement in recent years, with ROA rising to -14.56% in 2021-2022 and -16.88% in 2023-2024, signalling some recovery but still significant losses.

QUICK RATIO:

QUICK RATIO=LIQUID ASSET/CURRENT LIABILITY

TABLE 3: Quick Ratio

Before							After			
Year	Vodafone			Idea			Year	Vodafone Idea Ltd		
	Liquid Assets	Current Liabilities	Quick Ratio	Liquid Assets	Current Liabilities	Quick Ratio		Liquid Assets	Current Liabilities	Quick Ratio
2012-2013	15000	4060	3.69458	2050	8800	0.23295	2019-2020	21820	95096.9	0.22945
2013-2014	2000	5010	0.3992	2800	9100	0.30769	2020-2021	18916	65872.3	0.28716
2014-2015	2500	5950	0.42017	3200	11500	0.27826	2021-2022	21357	60941.9	0.35045
2015-2016	3000	8520	0.35211	4100	13000	0.31538	2022-2023	18168	59929.3	0.30316
2016-2017	3500	11100	0.31532	5100	14200	0.35915	2023-2024	16629	54011.5	0.30788
Mean			1.03628	Mean		0.29869	Mean			0.29562
SD			1.4866	SD		0.04678	SD			0.04377
CV			69.7078	CV		638.47	CV			675.392

The Quick Ratio for Vodafone, Idea, and Vodafone Idea Ltd highlights liquidity challenges. Vodafone's Quick Ratio ranged from 0.32 to 3.69, averaging 1.04, showing variability in liquidity. Idea had a consistently low Quick Ratio, ranging from 0.23 in 2012-2013 to 0.36 in 2016-2017, with an average of 0.30. Vodafone Idea Ltd.'s combined Quick Ratio averaged 0.30, with slight improvement in recent years, reaching 0.35 in 2021-2022, still indicating weak liquidity. The high CV values (Vodafone 69.71%, Idea 638.47%, and Vodafone Idea Ltd 675.39%) show significant variability in liquidity.

CURRENT RATIO:

CURRENT RATIO=CURRENT ASSET/CURRENT LIABILITY:

TABLE 4: Current Ratio

Before			After	
Year	Vodafone	Idea	Year	Vodafone Idea Ltd

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	Current Assets	Current Liabilities	Current Ratio	Current Asset	Current Liabilities	Current Ratio		Current Asset	Current Liabilities	Current Ratio
2012 - 2013	4200	4060	1.034	8400	8800	0.954	2019 - 2020	16686	95096.9	0.175
2013 - 2014	4600	5010	0.918	9200	9100	1.011	2020 - 2021	14034	65872.3	0.213
2014 - 2015	5000	5950	0.840	10500	11500	0.91	2021 - 2022	16839	60941.9	0.276
2015 - 2016	5400	8520	0.634	11100	13000	0.85	2022 - 2023	13854	59929.3	0.231
2016 - 2017	6000	11100	0.540	12400	14200	0.87	2023 - 2024	12861	54011.5	0.238
Mean			0.793	Mean		0.921	Mean			0.226
SD			0.208	SD		0.06	SD			0.036
CV			390.3	CV		1452.9	CV			616.01

The Current Ratio data shows liquidity trends for Vodafone, Idea, and Vodafone Idea Ltd. Vodafone's ratio ranged from 0.54 to 1.03, averaging 0.79, indicating fluctuating liquidity. Idea had a more stable ratio, between 0.91 and 1.01, with a mean of 0.92, reflecting a better ability to meet short-term obligations. Vodafone Idea Ltd.'s combined ratio averaged 0.23, with values falling sharply in recent years, showing very weak liquidity. High CV values (Vodafone 390.32%, Idea 1452.94%, Vodafone Idea Ltd 616.01%) highlight significant liquidity variability.

DEBT EQUITY RATIO:

DEBT EQUITY RATIO= TOTAL DEBT/EQUITY SHAREHOLDER:

TABLE 5: Debt Equity Ratio

Before							After			
Year	Vodafone			Idea			Year	Vodafone Idea Ltd		
	Total Debt	Equity Shareholder	Debt Equity Ratio	Total Debt	Equity Shareholder	Debt Equity Ratio		Total Debt	Equity Shareholder	Debt Equity Ratio
2012 - 2013	14066	27042	0.520	6998	14303	0.489	2019-2020	29167	9001.3	3.240
2013 - 2014	20651	2900	7.121	7998	17525	0.456	2020-2021	33350	-37708	-0.885
2014 - 2015	25668	33000	0.778	9198	23017	0.399	2021-202	26378	-61436	-0.429

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2015-2016	40541	36000	1.126	10598	25077	0.422	2022-2023	23415	-73839	-0.317
2016-2017	55054	38000	1.449	11998	27732	0.433	2023-2024	16588	-103644	-0.161
Mean			2.199	Mean		0.4401	Mean			0.289
SD			2.77	SD		0.034	SD			1.671
CV			79.26	CV		1286.32	CV			17.34

The Debt-Equity Ratio data shows significant trends for Vodafone, Idea, and Vodafone Idea Ltd. Vodafone's ratio increased from 0.52 in 2012-2013 to 1.45 in 2016-2017, averaging 2.20, indicating rising debt. Idea's ratio remained stable, ranging from 0.49 to 0.43, with an average of 0.44. Vodafone Idea Ltd.'s combined ratio averaged 0.29, with negative ratios in recent years, such as -0.88 in 2020-2021 and -0.16 in 2023-2024, reflecting negative equity. Vodafone showed high variability (CV of 79.27%), while Idea had extreme variability (CV of 1286.32%) and Vodafone Idea Ltd had lower volatility (CV of 17.34%).

DEBT TO CAPITAL RATIO:

DEBT TO CAPITAL RATIO= TOTAL DEBT/ TOTAL CAPITAL:

TABLE 6: Debt to Capital Ratio

Before							After			
Year	Vodafone			Idea			Year	Vodafone Idea Ltd		
	Total Debt	Total Capital	Debt To Capital Ratio	Total Debt	Total Capital	Debt To Capital Ratio		Total Debt	Total Capital	Debt To Capital Ratio
2012-2013	14066	10251	1.37216	6998	27821	0.25154	2019-2020	29167	28735.4	1.015
2013-2014	20651	10953	1.88542	7998	30827	0.25945	2020-2021	33350	28735.4	1.1606
2014-2015	25668	9450	2.71619	9198	32859	0.27992	2021-2022	26378	32118.8	0.82126
2015-2016	40541	9063	4.47324	10598	38675	0.27403	2022-2023	23415	48679.7	0.481
2016-2017	55054	9773	5.63328	11998	44421	0.2701	2023-2024	16588	50119.8	0.33096
Mean			3.21606	Mean		0.26701	Mean			0.76176
SD			1.79192	SD		0.01143	SD			0.35041
CV			179.476	CV		2337	CV			217.39

The Debt to Capital Ratio shows rising debt for Vodafone, with the ratio increasing from 1.37 in 2012-2013 to 5.63 in 2016-2017, averaging 3.22. Idea's ratio was much lower, ranging from 0.25 to 0.28, with an average of 0.27, indicating more conservative debt use. Vodafone Idea Ltd.'s combined ratio averaged 0.76, peaking at 1.16 in 2020-2021 but improving to 0.33 in 2023-2024. Vodafone had

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high volatility (CV of 179.48%), while Idea showed extreme variability (CV of 2337.00%), and Vodafone Idea Ltd had lower volatility (CV of 217.39%).

INTEREST COVERAGE RATIO :

INTEREST COVERAGE RATIO=EBIT/INTEREST EXPENSES

TABLE 7: Interest Coverage Ratio

Before							After			
	Vodafone			Idea				Vodafone Idea Ltd		
Year	EBIT	Interest Expenses	Interest Coverage Ratio	EBIT	Interest Expenses	Interest Coverage Ratio	Year	EBIT	Interest Expenses	Interest Coverage Ratio
2012-2013	711900	21510	33.0962	4295	1623	2.64633	2019-2020	-11000	1806	-6.09081
2013-2014	766800	20790	36.8831	4967	1648	3.01396	2020-2021	-7000	2084	-3.35893
2014-2015	381600	16650	22.9189	6054	1737	3.48532	2021-2022	-5000	2300	-2.17391
2015-2016	471000	14850	31.7172	6943	1956	3.54959	2022-2023	-4000	2569	-1.55703
2016-2017	352800	13590	25.9603	7200	2208	3.26087	2023-2024	-3000	2567	-1.16868
Mean			30.1151	Mean		3.19121	Mean			-2.86987
SD			5.61933	SD		0.37017	SD			1.98214
CV			535.92	CV		862.098	CV			-144.786

The Interest Coverage Ratio shows strong performance for Vodafone, with a range of 22.92 to 36.88, averaging 30.12, indicating solid interest coverage. Idea had a more consistent ratio, from 2.65 to 3.55, averaging 3.19. However, Vodafone Idea Ltd had a negative average ratio of -2.87, reflecting challenges in covering interest expenses in recent years. Vodafone showed high volatility (CV of 535.92%), Idea had moderate variability (CV of 862.10%), and Vodafone Idea Ltd showed extreme fluctuations (CV of -144.79%).

FINDINGS:

- Return on equity performance varies across cases: One remains consistently negative (-27.06%) with high volatility another starts positive but turns negative (2.05% average) with moderate fluctuations while the last shows a sharp upward trend 114.78% average but extreme variability.
- Vodafone and Idea exhibited high asset volatility (CV: 176.142 and 34.301) with Idea showing growth potential but requires risk management. Vodafone had a mostly positive return on asset except in 2016 while Idea’s return on asset fluctuated badly. Post merger Vodafone Idea Ltd. was confronted with persistent negative Return on asset and extreme profitability volatility (CV: -2769.994) which raised concerns about financial stability.
- Vodafone maintained a strong liquidity position with a quick ratio consistently above 1, while Idea’s quick ratio remained below 1 indicating potential financial risks. Vodafone Idea's quick ratio also remained mostly below 1, showing fluctuating liquidity challenges.
- Vodafone's current ratio has consistently declined, possibly due to rising liabilities or declining assets. Idea maintained a stable ratio around 0.9, indicating its ability Following the

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merger Vodafone Idea and Vodafone Idea reduced its current ratio due to a more complex financial structure and higher debt burden.

- Vodafone has an increasing Debt to Capital ratio indicating greater reliance on debt financing and higher financial risk while Idea and Vodafone Idea Ltd have lower, more stable ratios with Vodafone Idea Ltd showing a significant decline after 2021 suggesting debt reduction or financial improvement.
- Vodafone's debt-to-capital ratio steadily increased from 2012 to 2017 while Idea's remained relatively stable. Vodafone Idea Ltd.'s ratio has fluctuated significantly since the merger indicating financial struggles and poor debt management by the company.
- From 2013 to 2017 Vodafone maintained a stable interest coverage ratio with a mean 30.12 in the mean across all Vodafone branches representing 69.28 percent in contrast Idea's ratio was lower and more volatile with a mean of 3.19 suggesting higher risk. Following the merger Vodafone Idea reported a negative interest coverage ratio with a mean of -2.96 which signalled significant financial distress and heightened risk.

SUGGESTIONS:

* The company is faced with financial challenges that require strategies to advance profitability, increase shareholder value or consider restructuring. The fluctuating Return on equity (ROE) highlights the need for performance stabilization focusing on consistent profitability and sustainable growth to enhance shareholder confidence. While the high ROE reflects strong performances, it needs close monitoring and strategies to reduce volatility manage high standard deviation and ensure long-term stability.

* The company needs to reduce asset volatility by diversifying investments and adopting conservative asset management practices. Focus should be primarily on improving profitability optimizing asset utilization and addressing operational inefficiencies to improve Return on asset. A stable, sustainable growth trajectory is essential along with an urgent turnaround strategy involving restructuring cost reduction or mergers.

* In addition, Idea and Vodafone Idea Ltd. could raise their quick ratios in the future by increasing liquid assets, reducing receivables and negotiating better payment terms or other long-term financing to lower current liabilities Vodafone should maintain its healthy quick ratio by monitoring liquid assets and avoiding high liabilities. All companies must regularly track and analyse their quick ratios and implement improvements when necessary. Ultimately managing the quick ratio ensures financial stability and is important to obtain strong market position.

* Vodafone Idea Ltd. has suggested that the company should focus on improving its current ratio by investigating the reasons behind its decline and taking corrective actions. To overcome this Vodafone could increase its current assets, reducing its current liabilities or a combination of both. As such Idea should continue to closely monitor its current ratio keeping adjustments as necessary to ensure it maintains a healthy level. To improve its financial position, the company could consider reducing its debt and working capital or adopting both strategies in order to strengthen its liquidity.

* Vodafone Idea Ltd and its subsidiaries Vodafone Idea should manage their debt levels effectively to improve financial health. Vodafone should monitor its debt while the Vodafone Idea Ltd should reduce debt for stability and Idea should maintain its position. All three companies can increase their debt equity ratio by issuing shares, retaining earnings or cutting dividends.

* Vodafone and Idea should reduce debt dependence by exploring equity financing and improving financial stability. Vodafone Idea Ltd must focus on revenue generation and profitability while Vodafone Idea faces urgent steps to cut debt such as selling assets or raising equity. Strengthening equity and reducing costs finding new revenue sources managing debt and considering strategic acquisitions are essential for improving financial performance and providing a competitive edge.

* Vodafone should continue to maintain an interest coverage ratio above 1 for financial stability while Idea needs improve its ratio by increasing earnings or reducing interest expenses. Vodafone

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Idea must address its ratio urgently through earnings growth cost reduction or debt restructuring. All companies should monitor their ratios closely and take action if they fall below 1. They should consider them alongside other key financial metrics for a complete assessment of financial health.

CONCLUSION :

The comparative analysis of Vodafone and Idea Ltd.'s financial statements after their partnership highlights the significant financial impact of the merger, despite concerns about a Before the merger both companies faced declining revenues, high competition and rising operational costs. The merger aims to create synergy, reduce costs and strengthen their market position in the Indian telecom sector. Post-merger financial report results show mixed reports. While operational efficiencies improved, financial stress due to high debt levels and spectrum costs remained a major concern. Profitability ratios declined in the initial years after the merger and the company struggled with liquidity issues. However, strategic investments in the sector and government relief measures have helped stabilize operations. While the merger was intended to create a stronger telecom entity, financial challenges post-merger indicate that synergies have been slower than expected. Future success of Vodafone Idea Ltd. depends on effective financial restructuring and strategic decision-making to increase profitability and sustainability in a highly competitive industry.

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