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## **COMPARATIVE ANALYSIS BHARATH SANCHAR NIGAM LIMITED, TUMKUR**

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### *Abstract*

*The study was conducted on “Comparative analysis” at Bharath Sanchar Nigam Limited Tumkur this study has been undertaken to study an organization and to make factual observation about the functioning of an organisation. The study is organization specific and is to be conducted on overall basis. The report can be a study of the whole organisation or a wing of the organisation. The secondary data was collected through various books and journals, website, other documents of the company. To compare the financial statement performance of BSNL with AIRTEL and IDEA. To know about the financial statement performance of BSNL in the Telecom sector. The study also helps to forecast the future growth of the companies and also the developments need to be made to increase its financial performance. This helps to investors to forecast the future growth of the company.*

**Keywords:** *Comparative analysis, BSNL, AIRTEL & IDEA, Financial statement analysis.*

### **Introduction**

In telecom industry Bharath Sanchar Nigam Limited stands 7<sup>th</sup>. BSNL provides a wide variety of services. BSNL is governed by central government and New Delhi as headquarters. BSNL was integrated on 15th September 2000 and acquired the industry as long as telecommunication services and system administration from the earlier DTS and DTO of central government was on profitable concerned.

### **Comparative financial statements**

Comparative financial statements These are the statements used to compare previous year statements with specific financial statements.

### **Ratio analysis**

Ratio refers to the proportion of two mathematical terms. “The link between two or more things”. Ratio helps to analyse large amount of data to take appropriate decision.

Following are the uses of ratio analysis:

- The capability of a firm to meet its obligations.
- Represents the efficiency of the firm in using assets to increase sales.
- Operational efficiency of the firm.
- Performance of the firm

### **Review Of Literature**

Subramanyam, K.R.(2014), He says that “comparative analysis is one of the most important concept of an internal

factors of company analysis and its module analysis. It helps to know the scope of comparative analysis.

Rajangupta, Nasibsingh gill (2013), The study entitled in international journal of advance laptop science and application data processing techniques are used hugely by the researcher’s community in detective work plan fraud. Most of the analysis during this direction has number (quantitative information) i.e. monetary ratios gift within the monetary statements for detect.

**Objectives of the Study:**

The main objectives of the present study is follows:

- To study the financial statement performance of BSNL.
- To understand financial statement performance by using ratios.
- To compare the performance of BSNL with Airtel and Idea.
- To suggest the company to increase its overall financial performance.

**Data Collection**

- 1) The study is completely based on the secondary data.
- 2) It is based on Balance sheet and profit and loss account
- 3) The study includes the annual report of five years that is from 2013 to 2017.

**History of Indian Telecommunication sector:**

Today India’s telecommunication network is second largest in the world because of large number of user i.e. both

landline and mobile phones with the 1.053 billion users as per now,

India’s telecommunication network offer low call tariffs in the small telecom operators and huge competition and also India as second largest internet users in the world with the 342.65 million users in the country. India, Telecommunication originated with the introduction of telegraph. In 1850, the first electric telegraph line was started between Calcutta and Diamond Harbour.

**History of BSNL**

BSNL is the better provider of surviving telephony and ample bandwidth with added than 60% marketplace allotment and fifth capital adaptable telephone service. But still the income and marketplace allotment accept fallen into abundant loss because of critical attempt in telecommunication.

**Services offered by BSNL Tumkur:**

Universal Telecom services:

BSNL provides wired also wireless services with the help of CDMA technology

1. Types of landline services of BSNL they are as follows:
  - New landline collection services.
  - Permanent and Temporary connection services.
  - Different plans for landline users.
2. Mobile Telephone services
3. Internet services
4. Video conferencing services
5. Intelligent Network services.

Year	BSNL			AIRTEL			IDEA		
	Current assets	Current liabilities	Ratio	Current assets	Current liabilities	Ratio	Current assets	Current liabilities	Ratio
2012-13	33175125.94	89471078.08	0.3707	34038295.91	76191647.07	0.4467	22676500.3	19293630.1	1.1753
2013-14	31116018.61	23116120.61	1.3461	32562038.45	221942570.10	0.1467	16431540.8	19804432.4	0.8296
2014-15	1512589.69	522133.47	2.8969	1153890.86	191080.41	6.0387	21223334.1	19943395.2	1.0641
2015-16	5855218.91	48934383.55	0.1196	54147564.29	38230515.00	1.4163	17052408.6	22603566.6	0.7544
2016-17	5280687.15	2490527.61	2.1203	8842100.51	2784680.27	3.1752	19688898.9	18523004.7	1.0629
Total	76939640.3	164535243.3	6.8536	130753890.01	339340492.85	11.2236	97072682.7	82168029	4.8863
Average	15387928.06	32907048.66	1.37072	26150778.002	67868098.57	2.24472	19414536.54	16433605.8	0.9773

**Analysis**

The above table shows that average current ratio of BSNL is 1.37072, Airtel is 2.24472, Ideais 0.9773 from 2012-13 to 2016-17.

**Interpretation**

Current ratio standard is 2:1. The graph shows that the average current ratio of BSNL is fluctuating from year to it shows that the company is facing the shortage of current assets to meet its short term obligations. But in 2016-17 BSNL's ratio has been increased compared to 2015-16 it shows that the company has increased current assets to meet its short term obligations.

Year	BSNL			AIRTEL			IDEA		
	Quick assets	Current liabilities	Ratio	Quick assets	Current liabilities	Ratio	Quick assets	Current liabilities	Ratio
2012-13	30746511.82	89471078.08	0.3436	20000086.9 1	76191647.07	0.2625	20288187.3	19293630.1	1.0515
2013-14	26759096.01	23116120.61	1.1575	26358163.45	221942570.10	0.1187	13426437.8	19804432.4	0.6779
2014-15	1446141.46	522133.47	2.7696	480004.86	191080.41	2.5121	19091652.1	19943395.2	0.9572
2015-16	2576492.17	48934383.55	0.0526	52671917.29	38230515.00	1.3777	15557887.6	22603566.6	0.6882
2016-17	3558493.15	2490527.61	1.4288	7699995.51	2784680.27	2.7651	15910822.9	18523004.7	0.8589
<b>Total</b>	65086734.61	164535243.3	5.7521	117596168.02	339340492.85	7.0361	84274987.7	82168029	4.2337
<b>Average</b>	13017346.92	32907048.66	1.1504	23519233.6 0	67868098.57	1.40722	16854997.54	16433605.8	0.8467

**Analysis**

The above table shows that on an average quick ratio of BSNL is 1.1504, Airtel is 1.40722 and Idea is 0.8467 from 2012-2013 to 2016-2017.

**Interpretation**

The standard quick ratio is 1:1. The above graph shows that the acid test ratio of BSNL is fluctuating from year to year but in 2016-17 company has raised its quick assets to pay off its liabilities.

Year	BSNL			AIRTEL			IDEA		
	Cash+ invest	Current liabilities	Ratio	Cash+ invest	Current liabilities	Ratio	Cash+ invest	Current liabilities	Ratio
2012-13	28070243.7	89471078.08	0.3137	10490790	76191647.07	0.1376	13415330.9	19293630.1	0.6953
2013-14	31771009.00	23116120.61	1.3744	14427237	221942570.10	0.0650	20853750.4	19804432.4	1.0529
2014-15	1786486.1	522133.47	3.4215	232773	191080.41	1.2182	23954598.3	19943395.2	1.2011
2015-16	759001.25	48934383.55	0.0155	51098998	38230515.00	1.3367	22709478.4	22603566.6	1.0046
2016-17	1245706.85	2490527.61	0.5002	2902155	2784680.27	1.0423	25897687.6	18523004.7	1.3981
<b>Total</b>	63632446.9	164535243.3	5.6253	79151953	339340492.85	3.7998	106830845.6	82168029	5.352
<b>Average</b>	12726489.38	32907048.66	1.1251	15830390.6	67868098.57	0.7598	21366169.12	16433605.8	1.0704

**Analysis**

The above table 4.3 shows that average cash ratio of BSNL is 1.1251, Airtel is 1.4926 and Idea is 1.0704 from 2012-2013 to 2016-2017.

**Interpretation**

Cash ratio should be 1:1. The above graph shows that cash ratio of BSNL is fluctuating compared to Airtel and Idea, BSNL has less cash ratio than Airtel and Idea. Indicates that the company is facing shortage of cash and bank balance.

**Findings:**

1. Current ratio standard is 2:1. Current ratio of BSNL is 1.37:1 which is higher than Idea and less than Airtel. BSNL has not met with the standards it shows that the company has to increase its current assets to meet its short term obligations.
2. Acid test ratio should be 1:1. Acid test ratio of BSNL is 1.15:1 which is higher than the standards and also higher than Idea in all five years, shows that the company has maintained good liquidity.
3. Cash ratio should be greater than 1. Cash ratio of BSNL is greater than 1 and also higher than Idea but less than Airtel. Greater than 1 shows that the company has the ability to cover its liabilities.

**Conclusion**

The comparative study based on last five years from 2012-13 to 2016-17, BSNL with its competitors Airtel and Idea. By computing various ratios, it can be concluded that Airtel Company is performing well when compared to BSNL and Idea. The most popular telecom industries in India are Airtel, BSNL and Idea. Here study has been made on these companies, which helps to know the past and present performance of these companies. The study also helps to forecast the future growth of the companies and also the developments need to be made to increase its financial performance. This helps to investors to forecast the future growth of the company.

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