

EVALUATING THE FINANCIAL PERFORMANCE OF BHARTI AIRTEL LIMITED

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Abstract—The financial performance and operational position of Bharti Airtel Limited, one of the leading telecommunications service providers in India. The analysis focuses on evaluating the company's financial stability, profitability, and efficiency using various financial ratios and trend analysis over the period 2021–2025. Data for the study is mainly collected from the company's annual reports and other secondary sources. The research examines key financial indicators such as liquidity ratios, profitability ratios, turnover ratios, and solvency ratios to understand the company's overall financial health. The findings of the study highlight the growth in sales, improvement in profitability, and changes in asset utilization during the study period. The analysis helps in understanding the financial strengths and weaknesses of Bharti Airtel Limited and provides insights into its performance and future growth prospects in the competitive telecommunications industry.

Keywords—Financial Performance Analysis, Ratio Analysis, Revenue Growth, Profitability Performance, Telecommunications Industry

INTRODUCTION

Bharti Airtel Limited is one of India's leading telecommunications companies and a globally recognized provider of mobile and digital services. Established in 1995, the company has grown from a domestic mobile service provider into a diversified communications enterprise with operations across Asia and Africa. Headquartered in New Delhi, Airtel has played a significant role in transforming India's telecom landscape by making mobile connectivity affordable and accessible to millions of people. Over the years, the company has consistently focused on innovation, customer-centric services, and technological advancement, which has enabled it to maintain a strong position in the highly competitive telecom industry. Airtel provides a wide range of services including mobile voice and data services, broadband, fixed-line telephony, digital TV, enterprise solutions, and recently, 5G services. The company operates under the brand name "Airtel," which has become one of the most trusted and recognizable brands in India. It serves millions of customers across urban and rural markets, offering prepaid and postpaid mobile connections along with high-speed internet services.

PROBLEM STATEMENT

Bharti Airtel operates in one of the most competitive and rapidly changing telecommunications markets, where customer expectations, technological advancements, and regulatory pressures continuously reshape business strategies. Despite being a market leader, the company faces growing challenges in sustaining customer satisfaction and managing churn due to increasing competition from players like Reliance Jio and Vodafone-Idea. The study identifies the need to understand how Airtel can maintain service quality while balancing operational costs in a demanding environment.

OBJECTIVES OF THE STUDY

1. To evaluate the overall financial health of Bharti Airtel through key financial ratios.
2. To examine the revenue growth trends and profitability performance of Bharti Airtel over the selected study period.
3. To assess the impact of capital structure and debt management on Airtel's financial performance.
4. To compare Bharti Airtel's financial performance with major competitors in the Indian telecom sector.
5. To analyze the effect of major strategic decisions (e.g., mergers, spectrum auctions,

4G/5G investments) on Bharti Airtel’s financial outcomes.

SCOPE OF THE STUDY

A study of Bharti Airtel Limited, one of the largest global communications solutions providers, encompasses a broad and dynamic scope, primarily focusing on its core telecommunication operations and market position. This typically involves an in-depth analysis of its four strategic business units: Mobile, Telemedia (broadband, IPTV), Enterprise solutions, and Digital TV. The research scope would cover its vast network infrastructure, its transition to new technologies like 5G, and its extensive geographical presence across India, South Asia, and Africa. Key areas of investigation include the company's financial performance.

RESEARCH METHODOLOGY

Research Design

Quantitative and Qualitative Research

Source of Online Data

- Profit and loss account
- Balance Sheet

Sampling Method

Financial performance of banks can be analysis through their financial reports

TOOLS USED

- Ratio analysis
- DuPont analysis
- Trend analysis of sales and profit

REVIEW OF LITERATURE

S.No	Author	Period of study	Objective	Research Approach	Main Findings
1.	<i>Dr. A. Anil Kumar Reddy et Al(2025)</i>	2020-2024	<i>Analyze Airtel’s Financial statements using ML & DL.</i>	<i>Descriptive Research using Ratio Analysis</i>	<i>Predictive Insights Into revenue, profit and. debt trends.</i>
2.	<i>Dr. Sabitha & Rupa SriVankamamidi(2025)</i>	2013-2023	<i>Evaluate investment potential & financial health</i>	<i>Financial and portfolio Analysis</i>	<i>Competitive returns with market volatility risks.</i>
3.	<i>Jyoti Daryani (2021)</i>	2017-2023	Compare financial metrics	<i>Comparative Ratio Analysis</i>	<i>Airtel stronger than Vodafone Idea.</i>

DATA ANALYSIS

CURRENT RATIO

TABLE NO-1

YEAR	CURRENT ASSET	CURRENT LIABILITY	CURRENT RATIO
2021	547529	1116359	0.49
2022	520279	1140260	0.46
2023	575013	1219638	0.47
2024	582761	1386678	0.42
2025	675888	1804402	0.37

INTERPRETATION

The current ratio of Bharti Airtel Limited shows a declining trend from 0.49 in 2021 to 0.37 in 2025, indicating that the company’s current liabilities are increasing faster than its current assets. This suggests a weakening short-term liquidity position, meaning the company may face difficulties in meeting its

immediate obligations. A consistently low ratio below 1 reflects reliance on external financing to cover short-term debts.

LIQUID RATIO

TABLE NO-2

YEAR	QUICK ASSET	CURRENT LIABILITY	LIQUID RATIO
2021	540125	1116359	0.48
2022	510815	1140260	0.45
2023	568933	1219638	0.47
2024	575361	1386678	0.41
2025	671371	1804402	0.37

INTERPRETATION

The liquid ratio, which measures the company’s ability to meet short-term obligations using its most liquid assets, shows a declining trend from 0.48 in 2021 to 0.37 in 2025. This indicates that Bharti Airtel’s quick assets are increasingly insufficient to cover current liabilities, reflecting a weakening short-term liquidity position. A ratio below 1 consistently suggests high dependence on inventory or external financing to meet immediate obligations. The slight recovery in 2023 (0.47) was temporary, as the ratio fell again in 2024.

DUPONT ANALYSIS

TABLE NO-1

YEAR	Revenue	Net Profit	Total Asset	Equity	Net Profit Margin	Asset Turnover	Equity Multiplier	ROE
2021	101259	-23421	325941	78639	-23.1	0.31	4.14	-29.7
2022	117081	8305	343731	78929	7.10	0.34	4.35	10.5
2023	140081	12287	427681	91935	8.77	0.33	4.65	13.4
2024	151418	8558	425288	100861	5.66	0.36	4.22	8.6
2025	174559	37481	489449	139776	21.48	0.36	3.50	27.1

INTERPRETATION

Bharti Airtel’s revenue shows consistent growth from 101,259 in 2021 to 174,559 in 2025, reflecting expanding operations. Net profit turned positive in 2022 after a loss in 2021, with a strong jump to 37,481 in 2025, indicating improved profitability. The ROE trend mirrors profitability, rising from -29.7% in 2021 to 27.1% in 2025, showing efficient use of equity. Asset turnover remains stable around 0.31–0.36, suggesting moderate efficiency in using assets to generate revenue. Overall, the company demonstrates recovery from losses, improved margins, and stronger financial performance over the five years.

TREND ANALYSIS OF SALES AND PROFIT

TABLE NO-2
TREND ANALYSYS OF SALES (REVENUE)

YEAR	BASE YEAR VALUE	CURRENT YEAR REVENUE	GROWTH%
2021	101259	101259	100%
2022	101259	117081	115.7%
2023	101259	140081	138.4%
2024	101259	151418	149.6%
2025	101259	174559	172.5%

TREND ANALYSIS OF PROFIT

YEAR	BASE YEAR VALUE	NET PROFIT	PROFIT
2021	-23421	-23421	-
2022	-23421	8305	Recovered to profit
2023	-23421	12287	High Profit
2024	-23421	8558	Slight drop from 2023
2025	-23421	37481	Strong profit growth

INTERPRETATION

The sales trend shows steady growth from 101,259 in 2021 to 174,559 in 2025, with growth percentage rising from 100% to 172.5%, reflecting continuous expansion of operations. Profit trend shows a turnaround from a loss of -23,421 in 2021 to positive net profit of 8,305 in 2022, indicating successful recovery. In 2023, net profit further increased to 12,287, marking high profitability. There is a slight decline in profit in 2024 to 8,558, showing a minor slowdown. In 2025, profit surged to 37,481, demonstrating strong growth and improved efficiency. Overall, the trend analysis highlights robust revenue growth accompanied by significant recovery and expansion in profitability over the five-year period.

FINDINGS

- **Current Ratio:** The ratio declined from 0.49 in 2021 to 0.37 in 2025, indicating that current liabilities are increasing faster than current assets. This reflects a weakening short-term liquidity position and a reliance on external financing.

- **Quick (Liquid) Ratio:** Similar to the current ratio, this fell from 0.48 to 0.37 over the five-year period. It indicates insufficient quick assets to cover immediate obligations without selling inventory.
- **Dupont Analysis:** The company experienced a loss in 2021 but gradually improved profitability from 2022 onwards, with the highest performance in 2025 where ROE reached 27.1%. Asset turnover remained relatively stable, indicating consistent asset utilization. The equity multiplier decreased in recent years, showing reduced reliance on financial leverage.
- **Trend Analysis:** The trend analysis shows that revenue increased consistently from 2021 to 2025, reaching 172.5% of the base year value in 2025, which indicates steady business growth. Net profit improved significantly as the company moved from a loss in 2021 to strong profitability in 2025. Although there was a slight decline in profit in 2024 compared to 2023, the company achieved strong profit growth in 2025.

SUGGESTIONS

- **Current Ratio:** The company should focus on increasing its current assets or restructuring short-term debt to bring the ratio closer to the industry standard of 1.0. This would reduce the risk of liquidity crunches and improve the ability to meet immediate obligations.
- **Quick (Liquid) Ratio:** Management should prioritize maintaining a higher cash reserve or liquid investments to ensure that immediate liabilities can be covered without relying on inventory sales. Strengthening this ratio will improve the company's "acid- test" financial health.
- **Dupont Analysis:** The company should maintain its improved profitability by controlling costs and increasing operational efficiency. It should also focus on improving asset utilization to generate higher revenue. Maintaining a balanced capital structure will help sustain strong ROE in the future.
- **Trend Analysis:** The company should continue strategies that support revenue growth and profitability to maintain this positive trend. Management should focus on cost control and efficient operations to avoid profit fluctuations like in 2024. Expanding sales and improving financial management can help sustain long-term profit growth.

CONCLUSION

The financial analysis of Bharti Airtel Limited from 2021 to 2025 reveals a company in a significant state of operational turnaround and growth, successfully transitioning from substantial net losses to robust profitability. While liquidity and solvency ratios currently sit below ideal benchmarks, indicating a heavy reliance on debt and short-term liabilities to fund its capital-intensive 5G expansion, the dramatic improvements in Net Profit Margin, Return on Equity (ROE), and Asset Turnover highlight a more efficient utilization of its massive infrastructure.

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