

A Study on Financial Performance Trends with Reference to Nivid Telecom India Pvt Ltd

¹Ms. G. Kirubakiri, ²Ms. Gayathri N

¹Student, School of Management Studies, Karpagam College of Engineering, Coimbatore, India

²Assistant Professor, School of Management Studies, Karpagam College of Engineering, Coimbatore, India

ABSTRACT

This study examines the financial performance trends of Nivid Telecom India Pvt Ltd over five consecutive financial years (2020-21 to 2024-25) using trend analysis, ratio analysis, and comparative financial statement analysis. The company demonstrated a strong upward growth trajectory, with sales revenue increasing 400% from ₹120 lakhs to ₹480 lakhs, and net profit growing 729% from ₹7 lakhs to ₹51 lakhs. Liquidity ratios, while declining, remained within acceptable industry benchmarks, reflecting a healthy shift to optimized working capital management. Profitability ratios improved consistently, with the net profit ratio reaching 11% in 2024-25. The debt-equity ratio rose from 0.40 to 0.62, indicating manageable but growing leverage, while the asset turnover ratio improved from 0.75 to 0.95, confirming efficient asset utilization. The study concludes that Nivid Telecom is financially progressive, and offers targeted recommendations for sustaining long-term financial stability.

Keywords: *Financial performance, trend analysis, ratio analysis, telecom sector, profitability, liquidity, solvency, Nivid Telecom India Pvt Ltd*

I. INTRODUCTION

The telecommunications sector has become one of the most critical pillars of India's rapidly evolving digital economy. Telecom companies operate under persistent capital intensity — managing infrastructure investment, regulatory compliance, pricing competition, and technological disruptions — while striving to maintain financial health and sustainable growth.

Nivid Telecom India Pvt Ltd (CIN: U64200KA2020PTC137176) is a private telecom services and solutions provider incorporated in 2020. Studying its financial trends is essential to determine whether the company has maintained consistent growth, profitability, and sustainability in the competitive Indian telecom market. The broader sector context is equally relevant: TRAI data for 2024-25 shows India's gross telecom revenue reached ₹3,72,097 crore, with wireless ARPU rising 16.89% year-on-year to ₹174.46 — signaling improved monetization, though the sector continues to face capital intensity and debt pressures.

Financial performance is not judged by profit alone. A complete picture must also capture revenue efficiency, liquidity strength, debt burden, asset utilization, and the capacity to fund future growth. This study provides exactly that multi-dimensional view for Nivid Telecom across 2020-21 to 2024-25.

III. REVIEW OF LITERATURE

Financial performance analysis has been a central theme in management research. Gupta and Mehta (2018) demonstrated that profitability and leverage ratios effectively predict firm stability, while Sharma and Sinha (2019) emphasized the role of liquidity ratios in short-term solvency assessment. Roy (2021) applied these tools specifically to Indian telecom firms, and Garg and Sharma (2020) conducted a five-year comparative analysis of Bharti Airtel and Vodafone Idea, revealing divergent cost and margin structures within the same sector.

Recognizing the limitations of single-ratio analysis, researchers have increasingly adopted multivariate techniques.

Kumar and Sen (2020) applied Principal Component Analysis (PCA) to manufacturing firms, capturing over 85% of financial variance in just three components. Reddy and Thomas (2019) confirmed PCA's effectiveness in the automobile sector, while Bhattacharya and Roy (2022) extended it to China's telecom market to isolate core profitability drivers. Jain and Tripathi (2021) demonstrated PCA's adaptability for insolvency prediction in small enterprises.

In the Indian context, Patel (2021) compared Reliance Jio and Airtel on liquidity and profitability over a limited two-year window; Srivastava (2020) assessed telecom stocks using market data rather than internal statements. The existing literature validates ratio-based trend analysis for telecom firms while identifying a gap in longitudinal, firm-specific research on smaller private operators — the gap this study addresses for Nivid Telecom.

IV. SCOPE OF THE STUDY

The scope of this study encompasses the following areas:

- Financial statement analysis of Nivid Telecom India Pvt Ltd for 2020-21 to 2024-25
- Trend evaluation of key indicators: revenue, net profit, operating expenses, and total assets
- Liquidity, profitability, solvency, and efficiency ratio analysis with industry benchmark comparison
- Comparative base-year indexed growth analysis across income and balance sheet items
- Interpretation of financial patterns for managerial, investor, and academic decision-making
- The study is limited to financial performance and does not extend to technical service quality, customer satisfaction, or human resource metrics

V. STATEMENT OF THE PROBLEM

Telecom companies in India face persistent financial challenges including rising operational costs, aggressive competitive pricing, continuous technology investment cycles, and evolving regulatory requirements. Even well-performing firms must periodically evaluate their financial trajectory to ensure sustainable long-term growth.

The central problem this study addresses is: Has Nivid Telecom India Pvt Ltd demonstrated consistent and sustainable improvement in its financial performance across 2020-21 to 2024-25, or are there specific financial risk areas requiring strategic corrective action? The study investigates this through profitability, liquidity, solvency, and efficiency dimensions.

VI. LIMITATIONS OF STUDY

- The study is based solely on published financial statements; accuracy depends on correctness of reported company data
- Macro-level factors such as government spectrum policy, regulatory fees, and competitive tariff disruptions are referenced contextually but not deeply analyzed
- The analysis covers a five-year window (2020-21 to 2024-25); longer-term structural patterns may not be fully captured
- Findings are specific to Nivid Telecom and cannot be generalized to other telecom companies without adaptation
- Non-financial dimensions including subscriber base, workforce strength, and spectrum allocation are outside the scope of this study

VII. RESEARCH OBJECTIVES

The following primary objectives guide this study:

1. To evaluate the overall financial performance of Nivid Telecom India Pvt Ltd over 2020-21 to 2024-25
2. To analyze trends in revenue, operating expenses, and net profit using trend analysis
3. To assess the short-term liquidity position through current ratio and quick ratio
4. To evaluate long-term solvency and financial stability using the debt-equity ratio
5. To examine operational efficiency through the asset turnover ratio
6. To offer actionable, evidence-based suggestions for improving financial growth and sustainability

VIII. RESEARCH METHODOLOGY

Research Design: The study adopts an analytical and descriptive research design, focusing on describing and systematically evaluating financial performance trends across multiple years without experimental manipulation.

Data Sources: The study is primarily based on secondary data from the company's annual Balance Sheets, Profit & Loss Accounts, and financial summaries for 2020-21 to 2024-25. Industry benchmark data is referenced from TRAI performance reports and standard financial management literature. Primary data was obtained through informal discussions with company officials to support contextual understanding.

Sampling Technique: Purposive sampling is adopted, intentionally focusing on five financial years and key financial indicators most relevant to performance trend analysis.

Period of Study: Five financial years: 2020-21 to 2024-25.

Analytical Tools Used: (i) Trend Analysis — tracks directional movement of sales, profit, expenses, and assets;

(ii) Ratio Analysis — covers liquidity (current ratio, quick ratio), profitability (gross and net profit ratios), solvency (debt-equity ratio), and efficiency (asset turnover ratio); (iii) Comparative Financial Statement Analysis — computes base-year indexed growth rates to assess relative financial progress.

IX. ANALYSIS AND INTERPRETATION

A. Consolidated Financial Summary

Table 1 presents a complete five-year financial picture drawn from both the Profit & Loss Account and Balance Sheet of Nivid Telecom India Pvt Ltd. This consolidation allows a single holistic reading of the company's income performance, asset structure, and funding pattern across all study years.

Table 1: Consolidated Financial Summary — Nivid Telecom India Pvt Ltd (2020-21 to 2024-25, ₹ in Lakhs)

Particulars (₹ in Lakhs)	2020-21	2021-22	2022-23	2023-24	2024-25
A. Income Statement					
Revenue (Sales)	120	180	260	350	480
Cost of Services	80	120	170	230	310
Gross Profit	40	60	90	120	170
Operating Expenses	25	35	50	70	90
Operating Profit	15	25	40	50	80
Interest	5	6	8	10	12
Profit Before Tax	10	19	32	40	68
Tax (25%)	3	5	8	10	17
Net Profit	7	14	24	30	51
B. Balance Sheet — Assets					
Fixed Assets	100	130	170	210	260
Inventory	20	30	40	55	70
Receivables	25	40	60	80	110
Cash & Bank	15	25	35	45	65
Total Assets	160	225	305	390	505

C. Balance Sheet — Liabilities & Equity					
Share Capital	80	80	80	80	80
Reserves	20	35	60	90	130
Long-term Debt	40	60	80	100	130
Current Liabilities	20	50	85	120	165
Total	160	225	305	390	505

Source: Company Annual Reports, Profit & Loss Accounts and Balance Sheets (2020-21 to 2024-25)

The data reveals consistent upward movement across all financial dimensions. Revenue grew fourfold from ₹120 lakhs to ₹480 lakhs, while net profit expanded more than sevenfold — from ₹7 lakhs to ₹51 lakhs. Operating expenses rose (₹25 to ₹90 lakhs) but at a proportionately slower rate than profit, demonstrating improving operational leverage. The simultaneous growth in total assets (₹160 to ₹505 lakhs) and shareholders' equity (₹100 to ₹210 lakhs) reflects expansion funded through both internal earnings retention and managed external borrowing.

B. Ratio Analysis

Table 2 presents all key financial ratios — liquidity, profitability, solvency, and efficiency — consolidated across five years with standard industry benchmarks, enabling a comprehensive and efficient assessment of the company's multi-dimensional financial health.

Table 2: Consolidated Ratio Analysis with Industry Benchmarks — Nivid Telecom India Pvt Ltd (2020-21 to 2024-25)

Ratio / Indicator	2020-21	2021-22	2022-23	2023-24	2024-25	Benchmark
(a) Liquidity Ratios						
Current Ratio	3.00	1.90	1.59	1.50	1.48	~2:1
Quick Ratio	2.00	1.30	1.12	1.04	1.06	~1:1
(b) Profitability Ratios						
Gross Profit Ratio	33%	33%	35%	34%	35%	>30%
Net Profit Ratio	6%	8%	9%	9%	11%	>8%
(c) Solvency Ratio						
Debt-Equity Ratio	0.40	0.52	0.57	0.59	0.62	<1:1
(d) Efficiency Ratio						
Asset Turnover Ratio	0.75	0.80	0.85	0.90	0.95	>0.8

Source: Computed from company financial statements; Benchmarks from standard financial analysis norms

Liquidity ratios (current: 3.00→1.48; quick: 2.00→1.06) declined over the period but consistently remained near the respective 2:1 and 1:1 benchmarks. This reflects a positive transition from excess idle liquidity in 2020-21 to optimized working capital management by 2024-25 — not a deterioration in financial health. Profitability ratios improved strongly: the gross profit ratio remained stable (33–35%), while the net profit ratio climbed from 6% to 11%, crossing the 8% benchmark threshold from 2021-22 onwards. The debt-equity ratio rose from 0.40 to 0.62 — still well below the 1:1 caution level — though the upward trend warrants monitoring as the company continues to borrow for expansion. The asset turnover ratio improved steadily (0.75→0.95), approaching the benchmark and confirming increasingly productive deployment of the company's growing asset base.

X. FINDINGS

Table 3 presents a consolidated comparative growth analysis and ratio trend summary, capturing all key findings of the study in a unified visual format.

Table 3: Comparative Growth Analysis and Ratio Trend Summary — Nivid Telecom India Pvt Ltd (2020-21 to 2024-25)

Indicator	2020-21 (Base)	2021-22	2022-23	2023-24	2024-25	Overall Trend
A. Growth Analysis (Base Year = 100%)						
Sales Revenue	100%	150%	217%	292%	400%	↑ Strong
Net Profit	100%	200%	343%	429%	729%	↑↑ Excellent
Indicator	2020-21 (Base)	2021-22	2022-23	2023-24	2024-25	Overall Trend
Total Assets	100%	141%	191%	244%	316%	↑ Steady
Shareholders Equity	100%	115%	140%	170%	210%	↑ Stable
B. Ratio Trend Summary						
Current Ratio	3.00	1.90	1.59	1.50	1.48	↓ Optimal
Quick Ratio	2.00	1.30	1.12	1.04	1.06	↓ Acceptable
Gross Profit Ratio	33%	33%	35%	34%	35%	→ Stable
Net Profit Ratio	6%	8%	9%	9%	11%	↑ Improving
Debt-Equity Ratio	0.40	0.52	0.57	0.59	0.62	↑ Monitor
Asset Turnover	0.75	0.80	0.85	0.90	0.95	↑ Efficient

Source: Compiled from trend analysis, ratio analysis, and comparative financial statement analysis (2020-21 to 2024-25)

The key findings of the study are summarized below:

- Sales revenue grew consistently from ₹120 lakhs (2020-21) to ₹480 lakhs (2024-25) — a 400% increase indicating sustained, strong business expansion across all five years.
- Net profit increased from ₹7 lakhs to ₹51 lakhs, a 729% growth, with the net profit ratio rising from 6% to 11%, reflecting significantly enhanced cost management and earning quality.
- Gross profit ratio remained stable between 33% and 35%, confirming consistent core service cost management and pricing discipline over the entire study period.
- Current ratio declined from 3.00 to 1.48, and quick ratio from 2.00 to 1.06 — both remaining within acceptable industry limits — reflecting a healthy shift to efficient working capital management rather than a financial weakness.
- Debt-equity ratio rose from 0.40 to 0.62, remaining below the 1:1 safety threshold; however, the consistent upward trend indicates growing leverage that requires proactive debt management.
- Asset turnover ratio improved steadily from 0.75 to 0.95, approaching the benchmark of 1.0 and demonstrating the company's increasing ability to generate revenue from its deployed asset base.
- Comparative growth analysis confirms that net profit growth (729%) far outpaced sales growth (400%) and asset

growth (316%), a definitive hallmark of improving financial efficiency and margin expansion.

XI. SUGGESTIONS

- **Liquidity Management:** Maintain current ratio values closer to the 2:1 standard by improving receivables collection cycles, negotiating better credit terms with suppliers, and avoiding over-investment in slow-moving inventory.
- **Debt Monitoring:** Although the debt-equity ratio remains below 1:1, a quarterly review of debt-to-EBITDA metrics is recommended to ensure that growing borrowings do not compromise future cash flow and financial flexibility.
- **Operating Cost Rationalization:** With operating expenses rising from ₹25 to ₹90 lakhs over five years, targeted cost audits — especially in administrative and overhead functions — can further improve net profit margins.
- **Technology and Automation Investment:** Capital allocation toward service automation, digital delivery platforms, and network efficiency tools will sustain and accelerate the upward trend in asset turnover ratio.
- **Revenue Diversification:** Expanding into managed services, B2B telecom solutions, and cloud-integrated offerings will reduce revenue concentration risk and strengthen margin resilience against competitive pricing pressures.

-
- **Receivables and Inventory Management:** Strengthening credit assessment policies and adopting just-in-time procurement strategies can free up working capital and improve liquidity ratios without compromising operations.
 - **Equity Strengthening:** As the company scales and debt rises, consideration should be given to augmenting equity capital — through retained earnings retention or strategic investment — to maintain a healthy balance sheet for long-term growth financing.
 - **Periodic Financial Monitoring:** Implementing quarterly internal financial dashboards with real-time tracking of key ratios will enable proactive corrective action well before issues escalate into significant risks.

XII. CONCLUSION

The financial performance analysis of Nivid Telecom India Pvt Ltd from 2020-21 to 2024-25 reveals a company on a strong, consistent, and financially progressive growth trajectory. Revenue expanded fourfold and net profit grew more than sevenfold — with profit growth substantially outpacing both sales and asset growth — confirming improving financial efficiency and operational leverage over the study period.

Profitability ratios have moved decisively into favorable territory: the net profit ratio crossed the 8% benchmark from 2021-22 onwards and reached 11% in 2024-25, while gross margins remained stable throughout. Liquidity ratios, though declining, remain within acceptable operational limits and reflect the natural maturation of working capital management as the business scales. The asset turnover ratio's steady improvement to 0.95 underscores the company's growing capacity to generate revenue from its expanding asset base.

The primary area requiring attention is the gradual rise in the debt-equity ratio from 0.40 to 0.62. While comfortably within safe limits, continued debt-led expansion without corresponding equity strengthening could elevate financial risk in the medium term. With disciplined financial planning, targeted operational investments, and proactive debt management, Nivid Telecom is well-positioned to sustain its competitive standing in India's dynamic and capital-intensive telecom landscape.

This study contributes to the limited body of firm-specific financial research on small and mid-sized private Indian telecom operators, and its analytical framework serves as a replicable template for future longitudinal financial performance studies in the sector.

REFERENCES

- [1] I. M. Pandey, *Financial Management*, 12th ed., Vikas Publishing House, New Delhi, 2021.
- [2] E. F. Brigham and M. C. Ehrhardt, *Financial Management: Theory and Practice*, 16th ed., Cengage Learning, 2020.
- [3] K. R. Subramanyam, *Financial Statement Analysis*, McGraw-Hill Education, 2020.
- [4] A. Kumar and V. Singh, "Financial performance evaluation using ratio analysis," *Journal of Business Research*, vol. 134, pp. 12–20, 2021.
- [5] S. Verma and A. Agarwal, "Impact of financial ratios on firm performance," *International Journal of Commerce and Management Research*, vol. 7, no. 4, pp. 55–62, 2021.
- [6] M. Gupta and P. Jain, "Financial performance analysis of telecom sector companies," *International Journal of Management Studies*, vol. 8, no. 3, pp. 78–85, 2022.
- [7] R. K. Sharma, "Trend analysis in financial performance evaluation," *Journal of Finance and Economics*, vol. 9, no. 2, pp. 30–38, 2020.
- [8] TRAI, *Telecom Subscription Data and Performance Indicators Report 2024–25*, Telecom Regulatory Authority of India, New Delhi, 2025.
- [9] Nivid Telecom India Pvt Ltd — Company Profile, Ministry of Corporate Affairs. [Online]. Available: <https://www.tofler.in/nivid-telecom-india-private-limited/company/U64200KA2020PTC137176>