

Descriptive Qualitative Approach towards the Financing Needs of Indian Telecom Sector

Ms. Monika Bhatia*

Assistant Professor, School of Management Studies, Ansal University, Gurugram

Abstract – Indian communications infrastructure, with 353 million links (since about September 2008), is the third largest in the whole world. This industry has been rising at a rate of 46-50 per cent in recent decade. NTP-99 set out a straightforward plan for future changes, with a view to opening up all sectors of the telecommunications market to private sector involvement. This Government is committed to supporting rural accessibility through such a host of initiatives to allow rural users to access useful information and business transactions. It would include linking community headquarters to the fibre optic network, leveraging cellular technologies to achieve last mile connectivity and running information kiosks through collaborations with residents, Panchayats, civil society groups, the private sector and the government. Telecommunications plays a crucial role in encouraging emerging economies to compete in the global market. In order to achieve the purpose of the study, various testing methods have been used to draw conclusions. Primarily a descriptive analysis has been carried out to maintain studies clear and description, and perhaps some time empirical and mainly descriptive studies were made to the study. Principally secondary data obtained from various blogs, journals, academic papers, communications and books have been used for study purposes. Various case reports have been taken into account in order to include any facts. The financial firms accessible in public domains have been linked and the telecommunications records available on the websites of the Ministry of Finance, D.O.T. and TRAI have been searched. A few other surveys of telecommunications providers in India have just been taken into account in order to make conclusions on the problem.

Key Word: Descriptive Qualitative Approach, Indian Telecom Sector and Financing Needs

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1. INTRODUCTION

New networking systems have transformed the telecommunications industries of the world. The telecommunications sector has been a steadily growing industry in India since the 1990s. Telecommunications has played a major role in the western world. Telecommunications has been part and parcel of every Indian. The telecommunications industry has seen tremendous growth in reducing transaction rates, increasing internet speed, making free calls across India, transforming societies' habits, utilities, and brands. The telecom industry has joined 4 G lte in India. This had fundamentally altered the business dynamics and intensified competition between operators. India's smartphone industry is the largest market in the country. The mobile telecommunications industry has high market demand and government policies that encourage it. In the telecommunications market, the government guarantees equal competition between service providers. A constructive and equitable regulatory system has resulted in the provision of telecommunications networks to customers at competitive rates. India is the second-largest telecommunications sector in the world. It's got 1.18

billion users. India's smartphone economy accounts for 98% of smartphone penetration.

Actively State owned corporations are Bharat Sanchar Nigam Ltd (BSNL) and Mahanagar Telecommunications Nigam Limited (MTNL). The share of the market for both firms was 10.12 per cent. BSNL is now facing a financial crisis. On 28 February 2017, the remaining four private firms had a market share of 89.88 per cent of the total wireless subscribers. Those telecommunications companies are Vodafone Idea (34.58 per cent), Bharti Airtel (28.75 per cent), Reliance Jio (25.11 per cent), Tata Tele (1.44 per cent) as per TRAI May Report 2017.

The telecommunications industry has experienced a significant shift over the years as a result of the adoption of the Government of India's communications transformation plan. A new telecommunications strategy was unveiled in 2017 (National Digital Communications Policy—2017) and was intended to take into account the demands of emerging technology such as 5 G, Machine-to - Machine Interface, digital economy and other innovations. In order to incorporate these features,

to better serve the nation and to create a solid base for Digital India, the telecommunications industry has also introduced customer-focused strategies and – application-driven strategies. These, in essence, would continue to expand the opportunities for telecommunications-based services (Department of Telecommunications Annual Report 2017).

The above data demonstrates that telecommunications are prevalent in all facets of our lives, from the radio in your living room to the cell phone you bring with you. The above advanced technologies that we have in our lives are always brushed aside and it is difficult for us to consider how we can work without them. Through promoting the development of telecommunications industries within their countries, is still their GDP enhanced by the output of higher value-added goods, but also the economy will transition towards that which is primarily characterised by secondary or tertiary businesses.

2. LITERATURE REVIEW

According to Purkayastha, Kumar & Lu (2017) with such a presence of 1,19 billion subscribers, the Indian telecommunications industry is the largest telecommunications economy in the world. In addition, the industry has been recognized as perhaps the most prospective and fast-growing sectors in the world. From the other hand, Panda & Shastri (2016) stated as India is now perceived to be the 4th biggest implementation region in the world. It can be argued that there are two major factors why India's telecommunications industry is steadily rising. The first foremost cause or explanation is related to the growing demands of customers in the region. Buyers in the Indian industry are already staring forward to every specific service encounter who can deliver services such as easy internet access and reliable wireless connection at competitive and comfortable costs. The element that influenced the productivity of Indian telecommunications companies. This research was based on the methods for empirical analysis. Analysis has been focused on Subsidiary info.

The variables used for the study were: profitability, scale, tangibility, equity, liquidity, growth potential, non-debt tax cover, and profitability for bankruptcies. The research suggested that businesses should use internal funds for potential expansions. Profitable businesses should spend less and accumulate internal capital to satisfy their financial needs. The analysis also suggested that growth is a crucial driver for profitability. The study found that big companies were bankrupt and they did not have Profitability, outlook and progress. Other study considerations, i.e. liquidity, Z-score responsiveness and NDTs, did not influence profitability. This article shed light on the effect that consolidations might have on the return on capital of the buying business. Correlation, t-tests have been used for the analysis.

The quantitative information of the five telecommunications companies is analysed. Mergers

and acquisitions were found to have little effect on the Return on Equity of Indian Telecoms Buying Firm (Singh, 2017). A study was carried out on the adoption of cell phones in India. S-shaped growth curve models were used for research. These were focused on secondary knowledge. The researcher reported that the fast growth period of cell phone circulation would persist over the years. On average, cell phone demand in India will rise by 36.9% every year between 2005-2006 and 2010-2011, and by 15.75 per year between 2010-2011 and 2015-16. Rapid growth of smartphone users would boost federal revenue and Gross domestic product (The Singh, 2008). According to Singh (2017), the fall in revenue, revenue growth is indeed a vital influence that Airtel, Vodafone, Concept, BSNL and some other market participants have had as a result of new entrance into the sector. Other than goods and services, vigorous promotion and promotional policy has also played a major role in impacting the functioning of the Indian telecommunications industry. In order to have access, the State's proposals are often aimed at promoting a constructive and equitable regulatory system with the goal of ensuring that industry consumers get the best service possible at reasonable rates. According to Dhar (2016), the Indian Government approves the telecommunications industry since it is directly increasing as a result and sustainability of the national economy. The argument can be based on the argument that far more than 4 million jobs in India are projected to be generated by Indian telecommunications.

The analysis found the effect that the handling of working capital has on telecommunications firms. The researcher used a correlation analysis and an ordinary square analysis of the least regression. The study was focused on secondary data from 8 telecommunications firms. The findings of the analysis showed that there was a substantial relationship between management of working capital and profitability. The association study found that financial performance had a negative relationship with Inventory Conversion Time, Cash Conversion Cycle, Average Payment Period and Current Cost. The regression analysis was used to determine the major effect on profitability. s a result, Return on Asset has had a favourable relationship between Cash Conversion Time , Average Payout Period, Average Recovery Period and Debt Ratio (Mahato, 2016).

3. OBJECTIVE OF THE STUDY

The purpose of the project can be outlined as follows:

- First goal is to provide exposure to the Indian telecommunications industry, its present situation and function, its authoritative statement, its telecommunications policy, service offers, investment opportunities and benefits, research and development work, growth

prospects, government vision and mission, etc.

- The second goal is to recognise the socio-economic influence of telecommunications financing in emerging countries such as India, the role of information and communication technology, the virtual gap in advanced and developing economies.
- The main goal is to identify traditional financing approaches and financial means to support telecommunications ventures in India and to explore the numerous financial hazards connected with them.

4. DESCRIPTIVE ANALYSIS

The overall research carried out endorsed the awareness that India's telecommunications industry as a whole has been very competitive and that a significant number of players are involved in this market. Different businesses are pursuing different strategies in order to attract consumers and meet their ultimate desires in the best possible way. but the lack of financial resources is prevailing as a serious issue in the sector. Primary and secondary research have demonstrated that the presence of a high level of competition in the market has helped consumers a great deal since they are able to acquire a diverse array of offerings from telecommunications providers and in exchange, contribute a great deal to meeting their demands in the best possible way.

The problem formulation method was iterative, from looking at one problem from one point of view to another. We have started to look for Indian telecommunications initiatives to address the strengthen protection of the people of India, with a view to the direction of the Indian government and the effects of these initiatives on socio-economic development. The link involving telecommunications and alleviating poverty has been established, making it more important for us to research the relationship between telecommunications and how to fund it more innovatively. Presentations by the telecommunications company on growth patterns and potential trends were taken to evaluate and define the field of investment in order to complement the purpose of financing. Public company, BSNL and private company Airtel, financial services available in the public domain have been taken into account in order to examine the performance of the public-private investment path in India. As defined, these four areas are crucial in controlling. – Investopedia, guy. The external atmosphere component is beyond the influence of the organisation. It needs an overview of organisational policy restructuring for changing market conditions. Information technology operations in various areas of the world provide an invulnerable network. This has a wide range of exogenous factors that can affect the strategic position of the organisation. Companies must

consider and analyse the external factors of market structures and must therefore mitigate these external factors with the application of a pre-emptive approach (Bonnicipest, 2014).

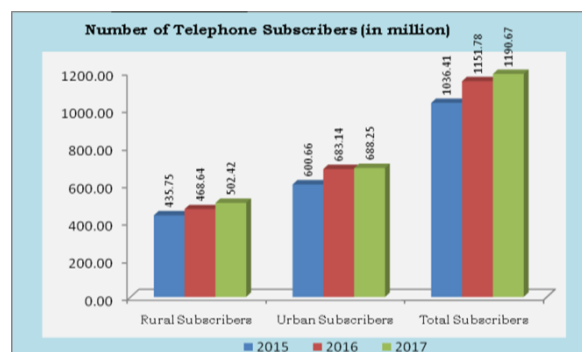


Figure 1: Rural, Urban and Total Tele concentration of India

Sources: <https://www.ibef.org/industry/telecommunications.aspx>

The administration has adopted basic steps to India's growth, including the Smart City Programme, Make in India, Payment Banks and Digital India. This same 4 G LTE networks have provided a strong forum for the rapid growth of cloud, the Internet of Things, Machine-to-Machine, Big Data and Analytics, which has contributed to tremendous advances in voice, video and data (Joshi, 2016). Formation has taken place in the area of patterns and technologies. It has been embraced by operators all over the world. Today, 5 G is increasingly becoming a possibility all over the world and would inevitably grow from the existing 4 G networks. The 5 G will be a tipping point for networking in the future, offering instant high-power access to smartphones. The telecommunications sector is on the brink of technological transition and digital revolution in order to give its customers a broader variety of services. Consumers expect higher quality of operation from telecom operators. The alternative to the dilemma is to adopt artificial intelligence and machine learning.

It's quite well documented as delivering excellent service requires a high degree of capital expenditure but this has been not achieved in the most productive way by the Indian Telecom sector. In short, if Emphasis were to resolve the problem of lack of financial capital, it would be almost difficult to concentrate on building an efficient facilities. Descriptive data has also provided strong findings even though it has been found that the financial power of the sector has not added a great deal to the successful performance of the market and will also offer numerous challenges to the sector in the recent future. Business like Reliance has a strong awareness and experience of the consumer as to what type of telecommunications services they want to access, at what price, etc. Thus, all these considerations are not treated by the sector in the

most successful way, and that is why the degree of brand recognition is still very significant on the industry.

5. CONCLUSION

This research study looked at the political, fiscal, social and technical aspects of the Indian telecommunications market. Legislation has been unclear and the climate has been conducive to operating in such a manner as to minimise FDI in telecommunications firms. Even as the government has set goals to hit 8% of Telecom GDP by 2022. In the coming days, they would have to provide 4 million workers in the digital media market. The telecommunications sector's GST was strong due to a rise in tariff prices. The rise in the price of petrol would also have an effect on telecommunications development. The income of the telecommunications industry is rising on a regular basis because there are more connections. Social influences such as digital schooling, telemedicine and M-health provide enough resources. The rural areas have yet to be entered. They need to extend their service to remote areas. In India, the technical conditions have shifted drastically. Service providers continue to spend more capital in these improvements. In general, there are developments in the Indian telecommunications sector, but many companies do not enter rural areas. They focus only on metropolitan areas. There is a shortage of services to businesses in rural areas.

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Corresponding Author

Ms. Monika Bhatia*

Assistant Professor, School of Management Studies, Ansal University, Gurugram