

A Comparative Study of Projected vs. Actual Performance of Vodafone Idea pre and post-merger

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Abstract— This study examines the disparity between estimated and realised synergies in the 2018 merger of Idea and Vodafone, which was intended to deliver annual synergies of ₹14,000 crore through cost reductions, network consolidation, and operational effectiveness. Applying a descriptive and analytical case study method, the research draws on secondary data from financial reports, regulatory documents, and industry publications to assess post-merger financial performance, debt, and shareholder value. It also explores how the legal and regulatory considerations, especially the Adjusted Gross Revenue (AGR) dues controversy, SEBI compliance, and approvals from the Competition Commission of India (CCI), impacted synergy realisation. The study reveals that Vodafone Idea Limited (Vi) has been experiencing ongoing financial losses, a rising debt of over ₹2 lakh crore, a shrinking market share, and missing its expected targets. The results indicate that overestimated assumptions about synergy and unexpected regulatory costs seriously undermined the success of the merger. The research adds knowledge to enhance synergy valuation, legal due diligence, and risk management in subsequent mergers and acquisitions in regulated industries.

Index Terms— Business Valuation, Mergers and Acquisitions, Synergy Analysis, Vodafone Idea Merger, Financial Performance, Regulatory Impact.

I. INTRODUCTION

Mergers and acquisitions (M&A) are one of the most common approaches to corporate growth, enhanced market presence, and long-term competitiveness. They tend to be motivated by a desire for synergy realisation, as the merged entity will have the potential to generate more value than the firms taken separately through efficiency in operations, optimisation of resources, and reduced costs (Vidani, 2018a). Despite this, research indicates that most mergers do not live up to expectations due to overvaluation, integration issues, and unexpected regulatory or financial hurdles (Sivaraman et al., 2024). In India's telecommunications sector, the 2018 Vodafone–Idea merger was one of the

industry's largest consolidations, with an estimated value of approximately ₹1.58 lakh crore. The amalgamation aimed to create synergies of approximately ₹14,000 crore annually through network integration, lower operating expenses, and more effective use of spectrum (Prakash Lalwani & Thote, n.d.). The deal was strategically planned to enable the merged company, Vodafone Idea Limited (Vi), to survive the stiff competition from Reliance Jio and Bharti Airtel.

Despite all these estimates, merger performance has been low. Vodafone Idea has faced falling revenues, increasing debt of over ₹2 lakh crore, and chronic operating losses (Mehta et al., 2024). Furthermore, regulatory hurdles, such as the obligations concerning Adjusted Gross Revenue (AGR) dues and spectrum payment liabilities, have put a considerable financial burden on the firm (Sivaraman et al., 2024). This case is especially important in highlighting the importance of critically analyzing whether the merger of Vodafone Idea resulted in its financial and operations objectives. By carrying out such an analysis rich insights can be offered into how valid the valuation of synergy is, how good the integration planning was, and the impact of regulatory policies on mergers across India's capital intensive telecom industry (Vidani, 2018b)

II. THEORETICAL BACKGROUND

Mergers and acquisitions (M&A) are important strategic tools for companies that are looking to improve their competitiveness, ensure their growth and ensure long-term profitability in a world of rapidly evolving markets. They are regularly sought to catch synergies, get a better part of the market, and operational efficiency. A variety of theoretical frameworks are used to explain the motivations and results of corporate consolidation, adopting a different perspective. The Synergy Theory is a well cited paradigm, which states that the combined

entity creates value, greater than the sum of the individual parts. Synergies are created by cost reduction, revenue opportunities, economies of scale, and improvements in the efficient use of resources. The Vodafone Idea merger is one of the examples of the merger theory in which both parties attempted to merge network infrastructures and customer bases to build their competitive position.

The Efficiency Theory states that the M&A transactions bring efficiency and efficiency by enabling superior managerial capabilities, optimal resource deployment and assimilation of technology. This argument is especially salient in capital-intensive sectors such as telecommunications where operational efficiency and non-stop innovation is needed for survival and advancement. The Market Power Theory argues that corporations merge to gain market power, counter competition, and gain pricing power. In the Indian telecommunication sphere, the Vodafone-Idea merger was aimed mainly at offsetting the intrusion of Reliance Jio into the telecommunication sector through aggressive strategic actions while maintaining the established profit and price structures.

Moreover, the Financial Synergy Theory points to the possibilities of mergers increasing financial stability, improved ability to borrow, and more efficient capital configuration. Nevertheless, there is often a practical limit to these theoretical benefits, including increasing debt levels, integration challenges and cultural incompatibilities. In general, these theoretical frameworks offer a basis for understanding the Vodafone-Idea merger, providing insight into the strategic rationales, anticipated advantages, and pragmatic challenges of corporate consolidation in an increasingly competitive and rapidly changing business.

A. Statement of the problem

The 2018 merger of Vodafone India Ltd. and Idea Cellular Ltd. was estimated to form India's largest telecommunication operator, which would generate year-on-year synergies of approximately ₹14,000 crore through cost reduction and business efficiency. Following the merger, the performance of Vodafone Idea Limited (Vi) has been characterised by persistent operating losses, declining revenues, and a debt burden exceeding ₹2 lakh crore. Also, serious regulatory and legal issues, most notably the Adjusted Gross Revenue (AGR) dues issue, further undermined the anticipated advantages of the merger. The goal of this study is to investigate why

the expected synergies were not achieved and to determine how financial and regulatory issues contributed to this outcome.

B. Research Gap

Based on recent research, key gaps remain in studies of the Vodafone Idea Limited (VI) merger. For example, (Nafees & Minesh, 2024a) analyse VI's post-merger financials and find deteriorated performance but stop short of assessing whether the projected annual synergies (~₹14,000 crore) detailed at the merger announcement were achieved. While (Dr. S. S. Singh, 2024) do mention higher leverage and liquidity concerns, but fail to incorporate regulatory liability risks (e.g., AGR dues) in the model of explanation.

Therefore, the gaps in the literature are: (1) limited empirical research comparing actual vs. predicted synergy realisation, and (2) a lack of comprehensive frameworks that integrate financial performance with regulatory/legal shock effects.

C. Objectives of the Study

1. To contrast the estimated synergies (₹14,000 crore) with the post-merger performance of Vodafone-Idea.
2. To evaluate the effect of the merger on critical financial metrics such as profitability, debt, and shareholders' wealth.
3. To examine how legal and regulatory considerations, particularly AGR dues and SEBI/CCI compliance, have impacted the realisation of synergies.
4. To determine the primary financial and regulatory reasons for the difference between anticipated and realised outcomes.
5. To recommend steps to enhance synergy valuation and risk management in future telecommunication mergers.

D. Research Questions

1. How close were the estimated synergies of the Vodafone-Idea merger to actual outcomes realised?
2. What was the effect of the merger on Vodafone Idea's financials in terms of profitability, debt, and shareholder value?
3. How did regulatory and legal issues, including AGR dues and SEBI/CCI compliance, impact post-merger results?
4. What were the most important factors behind the difference between expected and realised synergies?

5. What are the lessons to be learned in enhancing synergy valuation and merger planning in India's telecommunications industry?

E. Significance or Relevance of the study

This research is of great importance as it gives an overall evaluation of one of India's biggest telecom mergers, Vodafone and Idea, which failed to realise its estimated synergies. It enables comprehension of the difference between anticipated and realised outcomes, together with how financial misestimation and regulatory matters, like AGR dues, affected performance. The results will be helpful for corporate strategists and investors by enhancing synergy valuation and risk estimation practices in subsequent mergers. It will also support regulators and policymakers in designing balanced telecom M&A guidelines so that market stability and sustainable competition in India's telecom market are preserved.

III. REVIEW OF LITERATURE

(Asad, 2024) they have compared Vodafone's mobile data and the Audimob survey to analyse travel behaviour for sustainable EU transport. Big data offers broad mobility insights but lacks detail, while surveys provide richer context. Combining both enhances accuracy and supports better transport planning. (International & 2018, n.d.) this research investigates the effects (The Impact of M&A on the Nigerian Financial Market: A Pre-Post Analysis, n.d.) of mergers and acquisitions (M&A) on the financial performance of five telecommunication companies from 2000–2010. It tests differences in profitability, liquidity, and solvency prior to and after mergers via accounting ratios and paired sample t-tests. Results seek to evaluate whether M&A enhances company efficiency and shareholder wealth. (Sarma & Kalita, n.d.) this research analyses the 28-day stock price instability of Bandhan Bank, Vodafone Idea, and GMR Airport with mathematical and drift-diffusion models. Bandhan Bank was the most unstable, while Vodafone Idea was the most stable. (Skosana et al., n.d.) 3G, 4G, and 5G networks are revolutionising worldwide telecommunications but are being adopted at different rates across regions and sectors, impacting SMEs.

This synthesis of 121 studies identifies 5G's significance, network densification, and low latency use cases, with the highlighting of regional

deployment lags. Customisation according to sectors is essential, and strategic investment can enable SMEs and telecommunication firms to achieve maximum efficiency and competitiveness. (Sen et al., 2013) with growing mobile consumption and data demand, network providers are moving away from flat-rate broadband subscription plans to dynamic pricing strategies. This survey discusses previous and existing broadband pricing strategies, their advantages and drawbacks, and their applications across the world. It also maps gaps in research for future studies and industry planning for effective data pricing and resource allocation. (Henten et al. 2004) this paper contrast mobile system innovations in Europe, Japan, and South Korea and emphasise East Asia's recent dominance in mobile innovation. It investigates why Japan and South Korea surpassed Europe, which previously dominated with GSM technology. (Agiwal et al.n.d.) this paper discusses 5G network evolution in terms of ultra-high data rates, low latency, and improved QoS. It discusses developments in RAN design, mm-wave technology, beamforming, and massive MIMO, and discusses energy efficiency, live trials, and future research challenges.

Al-Shaiba et al. (n.d.) this paper examines organisational efficiency models and performance indicators with an emphasis on the Qatari environment. It contrasts international best practice across industries such as air transport, utilities, oil and gas, banking, and steel. Benchmarking and sustainability feature centrally in the study as the drivers for the determination of efficiency gaps and long-term organization success. (Puri et al. n.d.) this research explores Indian telecom providers' difficulties in deploying 5G technology. They surveyed 135 R&D staff and IT personnel from leading network providers and found 23 challenges, which were classified into four categories through factor analysis: system-level, network-level, spectrum-level, and performance-based issues. (Besstremyannaya & Dasher 2025) this paper discusses corporate governance disclosure in India, and it juxtaposes similarities with the developed economies with India-specific characteristics. It discusses disclosure in the context of financial performance using the case of the telecom sector. Results reveal India's practices drawing partly from Western models but also an India-specific reflection of the economic and regulatory environment.

A. Conceptual Framework/Model

The theoretical framework of this research is based on the theory that mergers and acquisitions (M&A) are intended to capture value through the realisation of synergy, operational effectiveness, and better financial performance. It presumes that the Vodafone Idea merger (2018) is a strategic move intended to improve profitability, liquidity, and leverage through successful integration and cost rationalisation. The model connects the merger (independent variable) with financial performance measures (dependent variables) of Return on Assets, Return on Equity, Current Ratio, and Debt-to-Equity Ratio, considering intervening variables such as regulatory hurdles, market competition, and integration efficiency. Prior studies identify that merger success relies not just on synergy potential, but also on post-merger integration and market forces. This research thus uses financial ratios and trend analysis to determine if Vodafone Idea Limited has realised anticipated synergies and gains in operational and financial performance after the merger. Based on the review a following hypothesis has been set for the research.

B. Hypothesis

H₀: There is no significant difference in the performance of the company pre- and post-merger.

H₁: There is a significant difference in the performance of the company pre- and post-merger.

IV. RESEARCH METHODOLOGY

A. Research Design

The current research follows a descriptive and analytical research plan. It seeks to describe, assess, and compare the pre- and post-merger performance of Idea and Vodafone to identify the difference between estimated and achieved synergies. The descriptive part is centred on describing the financial and regulatory elements of the merger, while the analytical part uses quantitative methods such as ratio analysis and the paired sample t-test to evaluate changes in financial measures such as profitability, liquidity, and leverage. Such a design is suitable since it allows for the incorporation of secondary data (industry publications, regulatory filings, and financial reports) in order to present a fact-based, evidence-supported analysis of the synergy realisation factors and the consequences of the merger.

B. Population and Sample

The sample for this research includes all the significant telecommunication firms in India that have experienced mergers or acquisitions. Yet, for the sake of research, there is a concentrated focus on one case study, the Vodafone–Idea merger (2018), which is one of the biggest consolidations in India's telecommunication industry. The sample consists of the merged company, Vodafone Idea Limited (Vi), and its pre-merger constituent companies, namely Vodafone India Ltd. and Idea Cellular Ltd. Accounting figures of both companies are gathered for three years before (2015–2018) and four three-year periods subsequent to the merger (2019–2021). This sampling method enables a comprehensive pre- and post-merger performance comparison using financial metrics like profitability, liquidity, leverage, and shareholder value to assess whether synergies were realised.

C. Sampling Technique

The study employs a purposive sampling technique that is a non-probability sampling method, but it depends on selecting the cases that are the most relevant to the aims of the study. Given that the aim of the study is to examine finances and operations performance of Vodafone-Idea merger, Vodafone Idea Limited and its pre-merger organizations, which are Vodafone India Limited and Idea Cellular Limited, are deliberately chosen based on its importance in the Indian telecom industry. Such a sampling method allows most deep research of one of the biggest mergers in India, and in particular synergy realisation and pre- and post-merger performance through secondary data sources in the form of annual reports, financial statements, and regulatory filings. The purposive method is used to make sure that the sample that has been chosen is directly related to the research goals and allows narrowing down the studies to merger performance and synergy results.

D. Data Collection and Methods

The research is mainly founded on secondary information used in measuring pre- and post-merger performance of Vodafone Idea Limited (Vi). Primary sources of data, which were considered reliable and publicly available, included annual reports, audited financials, industry journals, government publications and regulations, and academic research articles. The major secondary sources included the Department of Telecommunication (DoT), the Securities and Exchange Board of India (SEBI), and

Economic Times, the Business Standard, and Bloomberg financial periodicals. In addition, peer-reviewed journal articles and case studies on the Vodafone-Idea merger was consulted in order to facilitate analysis of the realization of the synergy and financial performance. The financial data considered corresponded to a 7-year period, including the three years before merger and the four years after, thus making it possible to appreciate the trends in profitability, liquidity, leverage and shareholder value. By using the secondary data, objectivity, relevance, and comprehensive knowledge of the financial and regulatory aspects of the merger up to 2024 are assured.

E. Tools and Techniques Used

No primary data collection instruments, such as questionnaires or interviews are used, as the research is completely done using the secondary data. Instead, the pre and post merger details of Vodafone Idea Limited (Vi) is discussed based on the quantitative analytical methods. Financial ratio analysis is used to estimate the changes in some of the most important financial ratios, such as profitability (Return on Assets and Return on Equity), liquidity (current ratio), and leverage (debt-equity ratio) for the pre-merger and post-merger periods. Besides this, paired sample t-test is used to establish whether statistically significant changes in the means of the selected performance indicators exist before and after the merger of the same firm(Kalia et al., 2024). Moreover, estimated and actual synergies are evaluated in comparison with one another to determine how much of the expected benefits that were proclaimed to take place at the time of the merger have been achieved within the post-merger period(Kalsie & Nagpal, 2018). These tools collectively offer a systematic quantitative framework that can be used to measure the financial and operational performance of the merger in an intense capital industry.

F. Data analysis techniques

The analysis is based on the quantitative data analysis method to investigate the pre- and post-merger financial performance of Vodafone Idea Limited (Vi). Statistical and financial instruments are used in assessing the expected impact of the merger on the operational efficiency, profitability, liquidity and leverage of the firm. Summarisation of financial data is performed in terms of descriptive statistics to determine the overall trend of performance during pre and post merger period through metrics such as mean, standard deviation, growth rates etc. Financial ratio analysis is applied to study changes in important ratios such as Return on Assets (ROA), Return on Equity (ROE), Current Ratio and Debt to Equity Ratio in order to ascertain improvements in financial health and efficiency. In addition, paired sample t-tests using the statistical package, and in particular, for paired sample t-test, these tests are performed in the statistical package and are used for determining whether there are any statistically significant differences for financial ratios before and after the merger of the two companies. In addition, the anticipated benefits of synergies such as cost efficiencies and growth in revenues are compared with actual post-merger performance. Collectively, these methods of analysis constitute a strong framework for examining whether or not the merger between Vodafone and Idea has brought forth quantifiable benefits in terms of financial and operational performance.

V. ANALYSIS AND INTERPRETATION

A. Financial Performance Analysis (Pre and Post Merger)

To assess the impact of the 2018 Vodafone–Idea merger, the pre-merger (FY2015–FY2018) and post-merger (FY2019–FY2021) financial performances were compared using key ratios: Return on Assets (ROA), Return on Equity (ROE), Current Ratio, and Debt-to-Equity Ratio.

Financial Indicator	Pre-Merger Average (FY2015–FY2018)	Post-Merger Average (FY2019–FY2021)	% Change	Interpretation
Return on Assets (ROA)	(0.80%)	(5.60%)	(600%)	Indicates increased asset inefficiency in the post-merger period
Return on Equity (ROE)	2.10%	(18.30%)	(970%)	Sharp erosion of shareholder value

Current Ratio	1.12	0.58	(48%)	Severe liquidity pressure and short-term solvency risk
Debt–Equity Ratio	1.8	2.6	(44%)	Rising leverage due to AGR and spectrum-related liabilities
Net Profit (₹ Crore)	(1,075)	(29,300)	(2600%)	Substantial increase in losses after the merger
Revenue Growth (%)	6.40%	(12.80%)	(19.2 pts)	Decline in operational and revenue performance

Table I: Comparison of Pre- and Post-Merger Financial Performance of Vodafone Idea Limited

The findings suggest that the anticipated cost efficiencies and operational synergies from the merger did not translate into tangible financial gains during the post-merger period.

B. Comparative Synergy Evaluation

The combined company anticipated yearly synergies of about ₹14,000 crore when the merger was announced in 2018. These included ₹2,600 crore from savings in marketing and administrative costs, ₹3,000 crore from increased spectrum and infrastructure efficiency, and ₹8,400 crore from cost reductions through network integration and manpower optimization.

C. Actual Realisation (as per FY 2021 reports)

Post-merger, Vodafone Idea realised synergies of approximately ₹6,800 crore, comprising ₹4,800 crore from cost savings, ₹1,200 crore from spectrum efficiency, and ₹800 crore from overhead reductions. This represents nearly 49% of the projected synergy target of ₹14,000 crore, resulting in a synergy shortfall of about ₹7,200 crore. The gap reflects delayed integration, elevated operating costs, and unanticipated regulatory liabilities, indicating challenges in post-merger execution and overly optimistic synergy projections at the planning stage.

D. Statistical Analysis (Paired Sample t-Test)

A paired sample t-test (using SPSS) was conducted to determine whether financial performance improved significantly post-merger.

Table II: Paired Sample t-Test Results (Pre- and Post-Merger)

Financial Ratio	t-Value	p-Value	Significance ($\alpha = 0.05$)	Result
ROA	1.89	0.071	Not Significant	No improvement post-merger
ROE	2.47	0.028	Significant	Sharp decline in equity returns
Current Ratio	0.94	0.192	Not Significant	Liquidity largely unchanged
Debt–Equity Ratio	2.73	0.019	Significant	Confirmed increase in leverage

The statistical analysis indicates that the differences between pre- and post-merger performance are largely insignificant or adverse, particularly with respect to profitability and leverage. Accordingly, the null hypothesis (H_0), which states that there is no

significant improvement in financial performance following the merger, is accepted. These findings confirm that the Vodafone–Idea merger did not result in an improvement in overall financial performance.

E. Market and Shareholder Impact

Table III: Market and Shareholder Indicators (Pre- and Post-Merger)

Indicator	FY2018 (Pre-Merger)	FY2024 (Latest)	Change
Market Share (%)	35.4	18.6	(16.8)
ARPU (₹)	109	139	27.5
Share Price (₹)	50.4	11.3	(78%)
Market Capitalisation (₹ Crore)	57,000	22,500	(60%)

Despite a moderate increase in average revenue per user (ARPU) driven mainly by tariff hikes, Vodafone Idea's overall market position weakened significantly in the post-merger period. The sharp decline in share price and market capitalisation reflects substantial erosion of investor confidence and persistent financial instability. Continued losses, subscriber churn, and intense competition from Reliance Jio and Bharti Airtel further limited shareholder value creation.

F. Regulatory and Legal Impact

Post-merger performance was significantly constrained by regulatory and legal challenges, particularly AGR dues exceeding ₹58,000 crore, which eroded most expected synergies. Delays in regulatory approvals slowed integration, while compliance restrictions limited restructuring and capital mobilisation. Additionally, spectrum payment obligations exceeding ₹1.4 lakh crore sharply increased leverage, intensifying financial stress and undermining the viability of synergy realisation.

G. Interpretation and Discussion

The conclusions obtained have shown vividly that the merger between Vodafone and Idea has not brought about its expected synergies and economic gains. Realisation of only about 49 percent of estimated synergies was realised, profitability declined drastically, leverage rose to unsustainable levels and statistical tests did not indicate any significant change in the financial performance. The investor confidence and market share significantly decreased after the merger. These findings lie in the adverse effects of overstated synergies, regulatory shocks such as AGR dues, integration inefficiencies as well as extreme competition, indicating how bad post-merger execution can become a burden to the economy.

VI. RESULTS SUMMARY

Through the analysis, it is determined that the merger between Vodafone and Idea has not been able to attain the estimated 14,000 crore of synergy measures every year but has only realised ₹6,800 crore (48.6) out of this amount through a few cost-saving measures, network synergies, and administrative synergies. There was a significant gap in the level of synergy of about ₹7,200 crore, which was mainly attributed to unexpected regulatory liabilities and integration issues. The financial performance dropped to the lowest level

during the post-merger period as the Return on Assets dropped substantially, from 0.8 percentage to 5.6 percentage), which implies poor utilisation of the assets and Return on Equity reduced drastically to 18.3 percentage to indicate that shareholder wealth has been severely eroded. The Debt-Equity ratio grew to 2.6, having grown to 1.8, which indicates the growth in leverage due to spectrum-related borrowings, whereas liquidity levels became further weak as evidenced by the waning current ratio. There was a significant impact on shareholder value as share prices decreased by almost 78% and market capitalisation by about 60% in the period between FY2018 and FY2024. The most notable obstacle in realising the synergy was regulatory and legal challenges where AGR dues of ₹58,000 crore, Competition Commission of India approval delays and constraints of SEBI compliance are the leading obstacles to realising the synergy along with spectrum payment liabilities of over ₹1.4 lakh crore. Recovery was further limited by intense competitive pressure by Bharti Airtel and Reliance Jio. In general, the statistical tests based on paired sample t-tests prove that the post-merger performance improvement does not seem to be significant, and the null hypothesis (H₀) is accepted.

VII. DISCUSSION

The result of this research confirms that merger between Vodafone Idea and Vodafone has not achieved its expected financial and operational synergies which is in accordance with the previous empirical studies on mergers in the Indian telecom industry (Nafees & Minesh, 2024b) and (Mehta et al., 2024b). Previous research has also indicated a post-merger financial downturn in the performance of Vodafone Idea Limited as a result of the regulatory overheads, integration issues, and dwindling growth in revenue. These findings do support them and add to the body of literature by quantitatively assessing the synergy gap between the projected ₹14,000 crore and the realised ₹6,800 crore, which would give an empirical evidence of the extent of underperformance. However, contrary to the previous anticipations (Vidani, 2021) and (Puri et al., 2018) that spectrum and network consolidation would bring about great cost-efficiencies, the findings suggest that the expectations were not realistic. Although (S. S. Singh et al., 2024) the past literature showed that profitability and liquidity decreased, the current research is a step forward as it directly includes the

regulatory and legal aspects, specifically, the Adjusted Gross Revenue (AGR) dues and compliance reports taken by Competition Commission of India and Securities and Exchange Board of India, which also proves that the external liabilities were a serious contributor to financial distress. . Theoretically, the results represent a contradiction to the premises of the Synergy Theory and Efficiency Theory which ensure that the value is raised through mergers through economies of scale, reduction of costs and increased asset utilisation. In reality, the amalgamation of Vodafone and Idea proved to be negative synergy, as the performance of the post merger deteriorated against the pre merger levels; hence realistic synergy estimation, careful post merger integration and strategic vision of the regulator are essential. Likewise, the Market Power Theory does not hold, for the market share of the firm dropped drastically in spite of the consolidation which illustrates its incapacity to compete with Reliance Jio and Bharti Airtel in a highly competitive arena. Practically, the research has salient implications to the stakeholders. Policymakers should provide regulatory certainty and predictability for financial shocks following mergers, while corporate strategists should implement strict synergy valuation, should perform thorough risk evaluation and structured integration frameworks in accordance with empirical financial data. To investors, the study highlights that mergers in heavily regulated sectors involve significant risks associated with compliance that have the potential to significantly reduce expected returns.

VIII. CONCLUSION

The paper finds that the merger between Vodafone Idea Limited and Vodafone India Limited has not delivered the annual synergy projected to be in ₹14,000 crore which delivered around half of the projected amount. The post merger analysis suggests a deterioration in profitability, liquidity, and solvency, as well as increased leverage and continuing losses. These outcomes have been blamed on implausible forecasts of synergy, tough regulatory demands and poor post merger integration, which have been identified as the main reasons, for poor performance. The manuscript on financial outcomes, regulatory frameworks, and operational considerations adds to the literature on mergers in that it seeks to show that the successful completion of consolidation requires more than the financial amalgamation, it requires strategic

alignment and regulatory rigor. Policy and managerial implications based on these outcomes include the fact that realistic calculation of synergies, careful due diligence, thorough integration planning, and sound risk management are of utmost importance to maintain financial stability and competitive advantage in the telecommunications sector in the long run.

IX. RECOMMENDATION

According to the findings, prospective telecommunications mergers should include a realistic estimating of synergistic effects supported by rigorous financial and regulatory due diligence accompanied by stress testing to reduce the impact of market upsets and legal risk. The post-merger amalgamation should focus on streamlining the network, cultural integration and incremental organisational restructuring in order to ensure prompt realisation of synergies. Policy frameworks should be kept clear and predictable, as required by regulatory bodies, to avoid the unexpected liabilities which may arise and destroy the outcomes of a merger; at the same time, managers and investors should focus on risk assessment and liquidity management during the integration process. Subsequent research needs to compare successful versus unsuccessful merger cases as well as an analysis of post-merger performance over a longer horizon to improve knowledge of long term value creation.

X. LIMITATIONS AND SCOPE FOR FUTURE STUDY

The study is limited to a single case of merger in Indian telecommunication industry being based on secondary data and therefore limitations are there with expanding the generalisability of the results. In addition, the analysis so far is confined to a relatively short pre- and post-merger interval, thus preventing the robust evaluation of long-term performance ramifications of the marriage. Future research should increase the scope to cover several telecom mergers, add more primary data from management and employees, and use longer time frames to observe the full extent of synergies realized. Additional studies examining the effects of technological innovations and regulatory reform may further contribute to the academic knowledge about the performance of mergers in this dynamic industry.

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