An Analytical and Comparative Study on Valuation of Shares of Selected scrip from Media and Entertainment Industry

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Abstract-

The research paper is about the valuation of shares with reference to selected Media and Entertainment Industry. The major study of the research paper is to compare different randomly selected scripts in equity cash segment. The methodology of the study here is to analyze the scripts in Equity market and analyze the performance based on its risk-return reward ratio and other factors. The aim of the research paper is to analyze the investment opportunities available for the investors & study the returns & risk involved in various investment opportunities. The basic rule of investment is high risk, high return, but this is applicable only when one invests for a long term purpose in Equity market. So, this research paper aims in understanding which script is more beneficial for investors to trade in. Considering the risk reward ratio and the returns earned.

Key Words- Banks; Equity; Risk; Return; Investment; Industry; Valuation; script; Market; opportunity

Introduction-

Every asset, whether financial or real, has a value. To successfully invest and manage these assets, one should know not only what the value is but also the sources of the value. All assets can be valued, but the complexities and the details of valuation will vary from case to case. The role of valuation is different in diverse situations. Like in portfolio management, the role of valuation is determined by the investment philosophy of the investor. Valuation plays a limited role in portfolio management for a passive investor, whereas it plays a very important role for an active investor.

The study is organized into six sections, including the present one. Section 2 provides a brief review of literature. Section 3 describes the data and their sources. Equity valuation using historical price multiples is discussed in section 4. In section 5, researcher analyze equity valuation using different fundamental valuation parameters and compare it with our findings for standalone multiples. Summary and concluding remarks are contained in the last section.

Review Of Literature-

Fundamental Analysis: Fundamental analysis is the analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earning); health and its competitors and markets. When applied to futures and forex market, it focuses on the overall state of the economy, and considers factors including interest rates, production, earning , employment, GDP, housing, manufacturing and management. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use: bottom up analysis and top down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical.

Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives-

1) To conduct a company stock valuation and predict its probable price evaluation.

2) To make projection on its business performance.

3) To evaluate its management and make internal business decisions and or to calculate its credit risk.

Objectives Of Study:

1. To know about stock market and to study the concept of fundamental analysis

2. To study and analyze selected banking industries through fundamental analysis by using different parameters.

3. To study the factors affecting on the share price of the selected Media & Entertainment industry and accordingly suggest the investors to invest in selected scripts.

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Research Methodology:

Secondary data: The secondary data is available already. This has been collected and analyzed by someone else. The secondary data has helpful in understanding about the script over the past years. This data is helpful in understanding about best performing company over the past years. The secondary information is mostly taken from Newspapers, Moneycontrol.com, Reuters and different stock market related Magazines, company record, manuals report and internet.

Sample Design:

☐ Population size is = Nifty50

☐ Sample Size is = 1 (Media & Entertainment) sector and 5 scripts from Media & Entertainment sector

☐ Sampling method is = For selecting Media & Entertainment sector – Deliberate sampling method has been followed for selecting the five scripts –

Objectives Of Study:

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Data Analysis And Interpretation:-

ZEE ENTERTAINMENT- Zee Entertainment Enterprises Limited is one of India's leading media and entertainment companies. It is amongst the largest producers and aggregators of entertainment content in the world with an extensive library housing over 250000 hours of television content. With rights to more than 4200 movie titles from foremost studios and of iconic film stars Zee houses the world's largest Hindi film library. Through its strong presence worldwide Zee entertains over 1.3 billion viewers across more than 170 countries.

Zee Entertenment
Predicated Balance Sheet Year 2018 To 2021

PARTICULAR	2018-19	2019-20	202-2021
Total share capital	2460.3	1739.74	2959.7
Total reserve and surplus	7103.11	7435.5	7515.66

Total shareholders' funds	9412.9	9699.08	9747.4
Noncurrent liabilities	7318.3	8764.9	10482
Total noncurrent liabilities	20262.7	44760.3	11450.4
Total capital and liabilities	140245.5	160581.2	163529.7
Fixed assets	1705.4	2269.7	2700.8
Total non-current assets	34888.1	3815.9	3859.5
Total current assets	7082.9	7185.8	70407.4
Total assets	10426.4	10620.3	10648.6

PVR CINEMAS-The company has its origin as Tejas dhawan in South Delhi, which was bought by Ajay Bijli's father in 1978, who also owned a trucking business, Amritsar Transport Co. In 1988, Bijli took over the running of the cinema hall, which was revamped in 1990, and its success led to the founding PVR Cinemas.

In 2003, ICICI Ventures invested Rs.40 crore in PVR when Village Roadshow decided to pull out of the partnership .In 2012, Kanakia group owned Cinemax cinema chain was bought by Cine Hospitality Private Ltd, a subsidiary of PVR Cinemas for ₹ 395 crore (US$55 million), making PVR the largest cinema chain in India .In May 2016, DLF group owned DT Cinemas was bought by PVR Cinemas for ₹ 433 crore (US$60 million). From PVR's Gold Class and Mainstream Cinemas, Director's Cut to the latest format- PVR Icon, the company has made exceptional technology like the IMAX® and the ECX (Enhanced Cinema Experience), 4 DX accessible to its audience. Recently PVR Cinemas ventured into a new cinema concept- Superplex in Noida. The cinema has 15 screens with IMAX. 4DX Gold Class, Playhouse (Specially for Kids) and mainstream auditoriums.

PVR CHINEMA
Predicated Balance Sheet Year 2018 To 2021

PARTICULAR	2018-19	2019-20	202-2021
Total share capital	48.46	48.53	48.53
Total reserve and surplus	1267.84	1333.9	1350.93
Total shareholders' funds	1313.8	1376.7	1392.9
Total noncurrent liabilities	1117.93	1641.94	2143.9
Total current liabilities	801.2	829.4	835.21
Total capital and liabilities	2644.3	2698.7	2707.9

Fixed assets	1979.7	2039.2	2050.4
Total non-current assets	2084.3	2407.7	43462.9
Total current assets	738.55	1755.5	3839.3
Total assets	2644.31	2698.07	2707.09

Mukta Arts- With HP India has launched Asia's first Virtual Reality (VR) Lounge at PVR ECX, Mall of India, Noida In August 2018, PVR Cinemas announced their acquisition of Chennai bas **Mukta Arts** is an Indian film production company It operates as an entertainment company that primarily produces motion pictures. The company is also involved in the production, distribution, and exhibition of films, serials and entertainment software; equipment hiring; and generation and distribution of contents for the entertainment industry. Mukta Arts is headquartered in Mumbai, India in addition, the company is involved in the hire of equipment, such as generator vans, cameras with hawk lens, lights, grip equipment's remote-control cranes, and location sync sound systems.

MUKTA ARTS
Predicated Balance Sheet Year 2018 To 2021

PARTICULAR	2018-19	2019-20	202-2021
Total share capital	0	0	0
Total reserve and surplus	136.64	137.58	137.66
Total shareholders' funds	147.87	148.60	148.65
Total noncurrent liabilities	64.36	69.05	70.50
Total current liabilities	30.87	37.59	41.54
Total capital and liabilities	209.5	209.5	209.57
Fixed assets	52.36	55.41	56.24
Total non-current assets	160.2	160.8	160.64
Total current assets	63.44	64.71	64.90
Total assets	220.6	251.04	237.92

Balaji Telefilms:Balaji Telefilms is an Indian company which produces Indian soap operas, reality TV, comedy, game shows, entertainment and factual programming in several Indian languages.

Balaji Telefilms is promoted by Ekta Kapoor and Shobha Kapoor and is a public company listed at Bombay Stock Exchange and National Stock Exchange of India.

Balaji was incorporated as a public limited company on 29 February 2000, and its name was changed to 'Balaji Telefilms Ltd' on 19 April 2000. The company made public issue of 28, 00,000 equity shares of ₹ 10 each at a premium of ₹ 120 aggregating ₹ 36.40 crore. The issue included a

book-built portion of 25, 20,000 equity shares and a fixed price portion of 2, 80,000 equity shares. In the same year, Nine Network Entertainment India Pvt. Ltd, a wholly owned subsidiary of Nine Broadcasting India Pvt. Ltd., merged with Balaji Telefilms Ltd.[25] During 2000-04 the stock market capitalization grew sixteen fold to ₹ 571 crore when Star India acquired a 21% stake in the business.

BALAJI TELEFILM
Predicated Balance Sheet Year 2018 To 2021

PARTICULAR	2018-19	2019-20	2020-2021
Total share capital	22.81	26.06	23.36
Total reserve and surplus	27197	8371.64	3243.5
Total shareholders' funds	1193.5	1238.4	1248.09
Total current liabilities	62.43	62.59	62.60
Total capital and liabilities	1272.37	1322.9	1334.12
Fixed assets	38.82	40.5	40.30
Total current assets	615.7	622.9	623.7
Total assets	1272.05	1322.52	1333.6

Dish TV-Dish TV India Ltd. (stylised as dish TV) is a company providing Direct to Home (DTH) television service in India. It is a subsidiary of Zee Entertainment Enterprises It was ranked # 437 and # 5 on the list of media companies in Fortune India 500 roster of India's largest corporations in 2011.Dish TV was also voted India's most trusted DTH brand according to the Brand Trust Report 2014, a study conducted by Trust Research Advisory. On 22 March 2018, Dish TV completed a merger with Videocon d2h ,creating the largest DTH provider in India.

DISH TV
Predicated Balance Sheet Year 2018 To 2021

PARTICULAR	2018-19	2019-20	202-2021
Total share capital	211.56	215.6	216.20
Total reserve and surplus	28634.5	2241879	7017472
Total shareholders' funds	12844.7	18395.08	23434.78
Total noncurrent liabilities	628.62	672.14	685.20
Total current liabilities	-5910.53	-2161.76	1587.00
Total capital and liabilities	1662.29	1208.9	1187.59
Fixed assets	2117.6	5272.19	3111.35
Total non-current assets	11773.9	14987.2	15942.16
Total current assets	3939.5	5325.5	5817.5
Total assets	11840.2	11865.2	11866.4

C. Different indicators to the different parameters

Indicators	Colour	Name
Highest Return Script		**Green**
High Return Script		**Blue**
Moderate Return Script		**Orange**
Average Return Script		**Yellow**
Low Return Script		**Red**

Showing parameter and there (ZEE Entertainment, PVR Cinema, Mukta Arts, Balaji Telefilm & Dish TV) scripts for FY 2018-19.

Scripts/Parameter's	ZEE Entertainment	PVR Cinema	Mukta Arts	Balaji Telefilm	Dish TV
Market Price	547.50	1317.65	56.14	-129.78	73.83
P/E Ratio (%)	35.57	50.71	-25.51	-29.1	410.2
Down Side Risk	2.31	1.95	-11.59	-6.52	22.78
Net Profit Ratio (%)	22.24	5.40	4.06	3.97	1.62
EPS	15.39	25.98	-2.20	-4.46	0.18

(Sources- Predicted Financial Statements)

Interpretation

The above table shows that Mukta Arts has covered 3 parameters out of total five parameters. It shows lowest down side risk and moderate N/P ratio and average EPS. It indicates Mukta arts will give highest returns in FY 2018-19.PVR Cenemas has covered 3 parameters out of total five parameters. It shows highest EPS and high NP ratio, moderate down side risk. It indicates PVR Cinemas will give high return in FY 2018-19.ZEE Entertainment has covered 2 parameters out of total five parameters. It shows Average down side risk, and highest NP ratio, high EPS. It indicates Zee Entertainment will give moderate return in FY 2018-19.Dish TV has covered 1 parameters out of total five parameters. It shows average market price highest down side risk. It indicates Dish Tv will give average return in FY

2018 -19.Balaji telifilms has not covered any parameters out of total five parameters. It shows high down side risk, average NP ratio & EPS. It indicates Balaji telefilms will give low return in FY 2018-19.

Showing parameter and there (ZEE Entertainment, PVR Cinema, Mukta Arts, Balaji Telefilm & Dish TV) scripts for FY 2018-19.

Scripts/Parameter's	ZEE Entertainment	PVR Cinema	Mukta Arts	Balaji Telefilm	Dish TV
Market Price	435.85	7550.15	46.75	86	36.85
P/E Ratio (%)	21.22	48.02	142.42	38.6	26.76
Down Side Risk	1.O3	0.3	433.94	17.95	19.63
Net Profit Ratio (%)	34.51	4.51	8.06	-6.72	3.62
EPS	20.53	157.22	0.3282	2.15	1.37

(Sources- Predicted Financial Statements)

Interpretation

The above table shows that PVR Cenemas has covered 3 parameters out of total five parameters. It shows lowest down side risk and moderate NP ratio and highest EPS. It indicates PVR Cenemas will give highest returns in FY 2019-20.Zee Entertainments has covered 3 parameters out of total five parameters. It shows highest NP ratio and high EPS, Low down side risk. It indicates Zee Entertainments will give high return in FY 2019-20.Balaji Telefilms has covered 2 parameters out of total five parameters. It shows moderate down side risk moderate market price, moderate EPS. It indicates Balaji Telefilms will give moderate return in FY 2019-20.Dish TV has covered 1 parameters out of total five parameters. It shows high down side risk, average EPS, moderate PE Ratio. It indicates Dish Tv will give average return in FY 2019 - 20.Mukta arts has covered 1 parameters out of total five parameters. It shows highest down side risk, high NP ratio & average EPS. It indicates Mukta arts will give low return in FY 2019-2020.

Showing parameter and there (ZEE Entertainment, PVR Cinema, Mukta Arts, Balaji Telefilm & Dish TV) scripts for FY 2019-20.

Scripts/Parameter's	ZEE Entertainment	PVR Cinema	Mukta Arts	Balaji Telefilm	Dish TV
Market Price	423.29	846.5	317.20	82.20	39.60

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P/E Ratio (%)	20.29	25.59	15.00	38.22	17.77
Down Side Risk	1.0	0.77	0.70	17.7	8.00
Net Profit Ratio (%)	14.13	5.30	5.30	14.4	22.6
EPS	20.49	33.08	33.08	2.15	2.22

(Sources- Predicted Financial Statements)

Interpretation

The above table shows that Mukta Arts has covered 2 parameters out of total five parameters. It shows lowest down side risk, high EPS. It indicates Mukta arts will give highest return in FY 2020-21.PVR Cinemas has covered 3 parameters out of total five parameters. It shows low down side risk and average NP ratio and highest EPS. It indicates PVR Cinemas will give high returns in FY 2020-21.Zee Entertainment has covered 3 parameters out of total five parameters. It shows high EPS and NP ratio, moderate down side risk. It indicates Zee Entertainment will give moderate return in FY 2020-21.Dish Tv has covered 1 parameters out of total five parameters. It shows Average down side risk, and highest NP ratio, average EPS. It indicates Dish Tv will give average return in FY 2020-21.

Balaji Telefilms has covered 1 parameters out of total five parameters. It shows highest down side risk, moderate NP ratio. It indicates Balaji Telefilms will give low return in FY 2020-21

Summary And Concluding Remarks-

1. It is suggested for an investor seeking highest return and lowest risk should optimize PVR Cinemas script for the financial year 2018-19,2019-20& 2020-21

2. It is suggested for an investor seeking high return and moderate risk should optimize Mukta Arts script for financial year 2018-19,2019-20& 2020-21

3. It is suggested for an investor seeking moderate return and low risk should optimize Zee Entertainment script then it is advisable to sell out the script as it will not give any considerable return in three consiquative years and if any investor want to buy the script it is advisable not to invest in this script.

4. It is suggested for an investor seeking to invest in Dish TV script then it is advisable to sell out the script as it will not give any considerable return in three consiquative years and if any investor want to buy the script it is advisable not to invest in this script. As it shows average return with highest risk.

5. It is suggested for an investor seeking to invest in Balaji Telefilms script then it is advisable to sell out the script as it will not give any considerable return in three consiquative years and if any investor want to buy the script it is advisable not to invest in this script. As it shows lowest return with average risk.

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