



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

An Analysis on the Financial Performance of Sun Tv Network Ltd

Bharath. E¹, Mrs. R. Kalaivani²

¹Register No: 212ak0842, ²Guide, M.COM CA., MBA., MPHIL., (PhD) Assistant Professor

Department Of B. Com Pa, Sri Krishna Adithya College Of Arts And Science

INTRODUCTION

The television industry in India is very diverse and produces thousands of programs in many of the Indian languages. More than half of all Indian households own a television. As of 2016, the country had over 900 channels of which 184 were pay channels. National channels operate in Hindi and English, in addition to channels in several other languages including Telugu, Tamil, Kannada, Malayalam, Bengali, Marathi, Odia, Punjabi, Assamese, Gujarati, Urdu, Bhojpuri, Kashmiri, Konkani and Haryanvi, among others. The Hindi, Telugu and Tamil language television industries are by far the largest television industries in India.

The national television broadcaster is Doordarshan, owned by Prasar Bharati. There are several commercial television broadcasters such as Culver Max Entertainment (Sony Pictures Networks), Disney Star, Viacom18 (owned by Reliance Industries through Network18 Group), Warner Bros. Discovery India and Zee Entertainment Enterprises, at the national level, and Sun TV Network and ETV Network at the regional level.

Currently the major Hindi national general entertainment channels (GECs) that dominate pay television are StarPlus, Sony Entertainment Television, Zee TV, Colors TV and Sony SAB. Since 2019, free-to-air Hindi channels like Dangal and Goldmines have drastically increased in popularity due to their availability on DD Free Dish. Regional-language channels like Sun TV and Star Vijay (Tamil), Star Maa and Zee Telugu (Telugu), Asianet (Malayalam) and Star Pravah (Marathi) are also among the most popular television channels by viewership.

OBJECTIVE OF STUDY:

- To Study on Financial Performance of the SUN TV Networks for the period of 2018-19 to 2022-23.
- To Study if the funds has been efficiently used for the growth of Sun TV Network (P) Ltd.
- To know the liquidity position of the Sun TV Network (P) Ltd by knowing its Financial statement.

STATEMENT OF PROBLEMS:

The Network Industry is a growing industry in the country as it makes the people to get entertained in their day to day life. The Network industry will increase their Financial Performance by attracting more audience. Attracting audience will leads to increase its goodwill. Gaining more customers will leads to increasing its financial performance of the industry. To Analyze that how they performed during the pandemic period.

SCOPE OF THE STUDY:

- To Study on the Ideas that makes Sun TV Network to make their growth.
- The Study of making comparison of five years of its operations.
- To Study on the financial Reports of the Company.

1.6 LIMITATION OF THE STUDY:

- The report is exclusively made from secondary source of data, the direct observation is literally impossible.
- This study fully depends upon records from company that what they disclosed in publicly so we can't get analyze the data directly from the company.

REVIEW OF LITERATURE

Abraham Lioui , Zenu Sharma “Environmental corporate social responsibility and financial performance: Disentangling direct and indirect effects” (2012) : This paper assesses the impact of environmental corporate social responsibility (ECSR) on Corporate Financial Performance (CFP) measured by ROA and Tobin's Q. We show that the relationship between firms' return on assets (ROA) and ECSR, strengths and concerns, is negative and statistically significant. We also show that firms' Tobin Q and ECSR, strengths and concerns, are negatively correlated in a statistically significant way.

Edith Galy, Mary Jane Saucedo “Post-implementation practices of ERP systems and their relationship to financial performance” (2014): In these Study they conclude that with so much investment in ERP software, further research is recommended to determine which factors contribute to the highest success and failure rates. Using financial data, we suggest it may be possible to forecast which IS managerial practices present the greatest predictability for ERP implementation success. Perhaps additional ERP studies using financial data will lead to better choices for companies that wish to maximize ERP use.

Halimahton Borhan, Rozita Naina Mohamed, Nurnafisah Azmi “The impact of financial ratios on the financial performance of a chemical company: The case of LyondellBasell Industries” (2014): In this Study the results shows that Current Ratio, Quick Ratio, Debt Ratio and Net Profit Margin have a positive relationship while Debt Equity Ratio and Operating Profit Margin have a negative relationship with the company's financial performance.

Elena Dobre, Georgiana Oana Stanila, Laura Brad “The influence of environmental and social performance on financial performance: Evidence from Romania’s listed entities”(2015): In this Study the results point out that increasing water, air and soil protection has a negative impact on current return on equity, while no effects were detected on return on assets and stock market returns. Other environmental variables such as gas, energy or sound were found not to be statistically significant. Training and benefits after retirement have a mixed effect on financial measures.

Muhammad Akram Naseem, Sun Xiaoming, Sulman Riaz and Ramiz Ur Rehman “Board Attributes and Financial Performance” (2017): In this study that determines that board characteristics influence the firm financial performances in emerging country’s perspective have some consistent findings. However, some findings differ as compared to developed country’s context, which limit the generalization of the study.

COMPANY PROFILE

Type	: Public
Traded as	: BSE: 532733 NSE: SUNTV
Industry	: Media conglomerate
Founded	: 14 April 1993; 30 years ago
Founder	: Kalanithi Maran
Headquarters	: Chennai, Tamil Nadu, India
Key people	: Kalanithi Maran (Chairman)
Products	: Broadcasting publishing radio web portals
Revenue	: Increase ₹3,772 crore (US\$470 million) (FY23)
Operating income	: Increase ₹2,392 crore (US\$300 million) (FY23)
Net income	: Increase ₹1,707 crore (US\$210 million) (FY23)
Total assets	: Increase ₹7,777.68 crore (US\$970 million) (2019)
Number of employees	: 1,451 (2023)
Parent	: Sun Group
Website	: www.suntv.in www.sunnetwork.in

HISTORY :

Sun TV Network is an Indian Media conglomerate company headquartered in Chennai, Tamil Nadu, India. It is a part of Sun Group and is one of Asia's largest TV networks. Established on 14 April 1993 by Kalanithi Maran, it owns a variety of television channels in multiple languages and radio stations in multiple languages. Its flagship channel is SUN TV.



OWNED CHANNELS :

Sun TV Network currently owns and operates 35 TV channels (25 SD + 10 HD) across some Indian languages – Tamil, Telugu, Malayalam, Kannada, Marathi and Bengali.

- SUN TV (TAMIL- 1993)
- SUN NEWS (TAMIL- 2000)
- K TV (TAMIL- 2001)
- SUN MUSIC (TAMIL- 2004)
- CHUTTI TV (TAMIL- 2007)
- ADITHYA TV (TAMIL- 2009)
- SUN LIFE (TAMIL- 2013)
- GEMINI TV (TELUGU- 1995)
- GEMINI MOVIES (TELUGU- 2000)
- GEMINI MUSICS (TELUGU- 2005)
- KUSHI TV (TELUGU- 2009)
- GEMINI COMEDY (TELUGU- 2009)
- GEMINI LIFE (TELUGU- 2013)
- UDAYA TV (KANNADA- 1994)
- UDAYA MOVIES (KANNADA- 2000)
- UDAYA MUSIC (KANNADA- 2006)
- CHINTU TV (KANNADA- 2009)
- UDAYA COMEDY (KANNADA- 2010)
- SURYA TV (MALAYALAM- 1998)
- SURYA MOVIES (MALAYALAM- 2005)
- KOCHU TV (MALAYALAM- 2011)
- SURYA MUSIC (MALAYALAM- 2013)
- SURYA COMEDY (MALAYALAM- 2017)
- SUN BANGLA (BENGALI- 2019)
- SUN MARATHI (MARATHI- 2021)

DIVISIONS UNDER SUN TV NETWORK:**SUN TV:****SUN PICTURES :****SUN NXT:****FM:****SUN DIRECT (DTH):****IPL FRANCHISE :****ANALYSIS AND INTERPRETATION OF DATA*****4.1 RATIO ANALYSIS:***

Ratio analysis is a quantitative method of gaining insight into a company's liquidity, operational efficiency, and profitability by studying its financial statements such as the balance sheet and income statement. Ratio analysis is a cornerstone of fundamental equity analysis. It compares line-item data from a company's financial statements to reveal insights regarding profitability, liquidity, operational efficiency, and solvency. Investors and analysts employ ratio analysis to evaluate the financial health of companies by scrutinizing past and current financial statements. Comparative data can demonstrate how a company is performing over time and can be used to estimate likely future performance.

1. DEBT EQUITY RATIO (D/E):

Debt-to-Equity (D/E) ratio is used to evaluate a company's financial leverage and is calculated by dividing a company's total liabilities by its shareholder equity. D/E ratio is an important metric in corporate finance. It is a measure of the degree to which a company is financing its operations with debt rather than its own resources. Debt-to-equity ratio is a particular type of gearing ratio.

$$\text{DEBT EQUITY RATIO} = \frac{\text{TOTAL DEBT}}{\text{TOTAL SHAREHOLDER EQUITY}}$$

TABLE NO. 4.1.1

TABLE SHOWING DEBT EQUITY RATIO

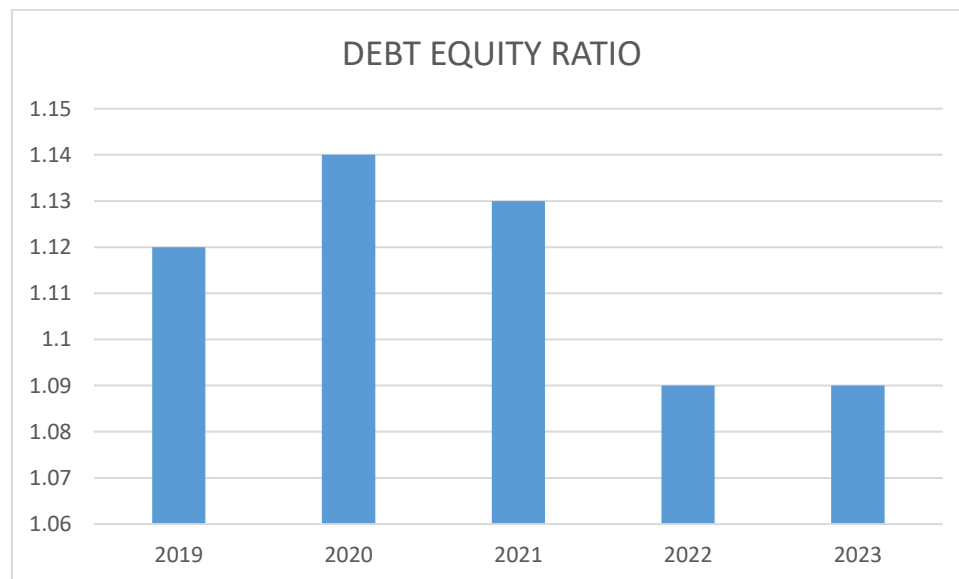
S.NO	YEARS	TOTAL LIABILITY	TOTAL SHAREHOLDERS EQUITY	DEBT EQUITY RATIO
1	2019	6197.72	5526.49	1.12
2	2020	6507.56	5724.11	1.14
3	2021	7946.43	7053.71	1.13
4	2022	8898.10	8155.20	1.09
5	2023	10148.08	9271.59	1.09

INTERPRETATION:

The Debt Equity Ratio of Sun TV Network (P) Ltd was 1.12 in the year 2019, in the year 2020 it was increased to 1.14 and in 2021 to 2023 it was constantly decreased from 1.13 to 1.09 respectively.

CHART NO. 4.1.1

CHART SHOWING DEBT EQUITY RATIO

**2. RETURN ON INVESTMENT (ROI):**

Return on Investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment, relative to the investment's cost. It will as the formula,

$$\text{ROI} = \frac{\text{OPERATING PROFIT} \times 100}{\text{CAPITAL EMPLOYED}}$$

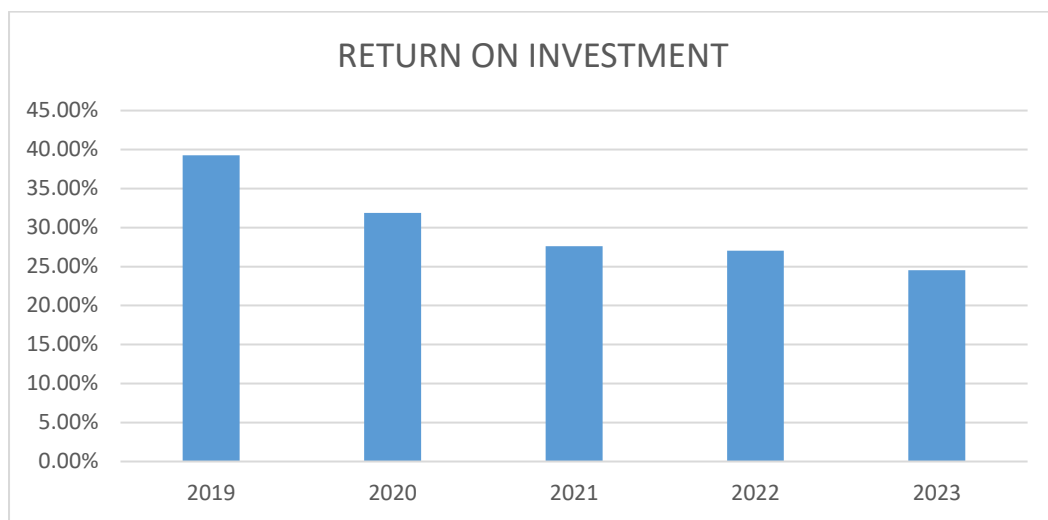
TABLE NO. 4.1.2

TABLE SHOWING RETURN ON INVESTMENT

S.NO	YEAR	PROFIT BEFORE TAX	CAPITAL EMPLOYED	RETURN ON INVESTMENT
1	2019	2169.33	5526.49	39.25%
2	2020	1823.62	5724.11	31.86%
3	2021	1947.44	7053.71	27.61%
4	2022	2204.08	8155.20	27.03%
5	2023	2274.63	9271.59	24.53%

INTERPRETATION:

The Return On Investment of Sun TV Network (P) Ltd has been decreased constantly from 39.25% in 2019 to 24.53% in 2023.

CHART NO. 4.1.2**CHART SHOWING RETURN ON INVESTMENT****3. WORKING CAPITAL TURNOVER RATIO:**

Working Capital Turnover is a ratio that measures how efficiently a company is using its working capital to support sales and growth. Also known as net sales to working capital, working capital turnover measures the relationship between the funds used to finance a company's operations and the revenues a company generates to continue operations and turn a profit.

$$\text{WORKING CAPITAL TURNOVER RATIO} = \frac{\text{NET SALES}}{\text{NET WORKING CAPITAL}}$$

NET WORKING CAPITAL TABLE NO. 4.1.3**TABLE SHOWING WORKING CAPITAL TURNOVER RATIO**

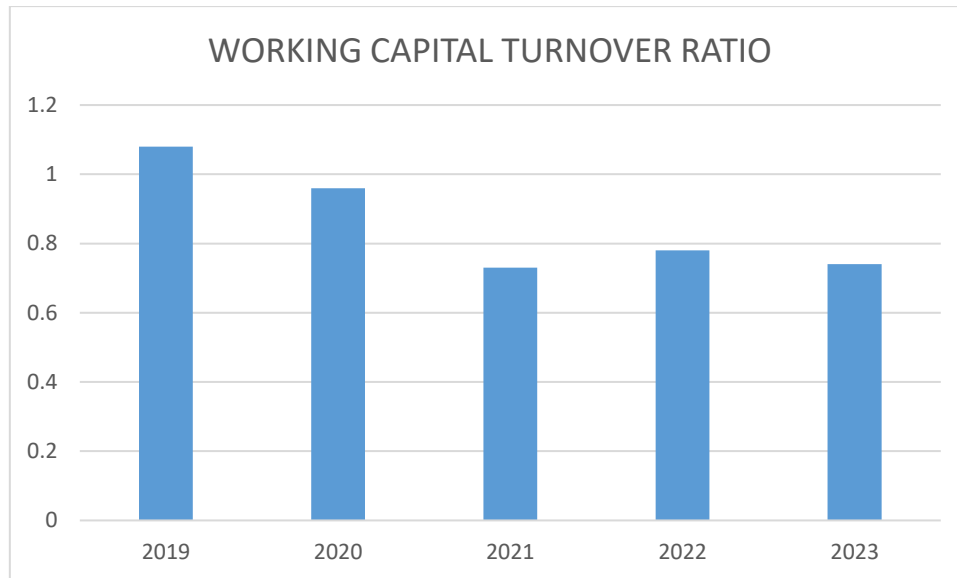
S.NO	YEAR	NET SALES	NET WORKING CAPITAL	WORKING CAPITAL TURNOVER RATIO
1	2019	3782.54	3495.58	1.08
2	2020	3519.85	3663.35	0.96
3	2021	3176.89	4380.13	0.73
4	2022	3584.82	4619.48	0.78
5	2023	3772.05	5127.34	0.74

INTERPRETATION:

The Working Capital Turnover Ratio of Sun TV Network (P) Ltd was 1.08 in the year 2019, in the year 2020 & 2021 it was decreased to 0.96 & 0.73 respectively and it again increase to 0.78 in 2022 and again decrease to 0.74 in the year 2023.

CHART NO. 4.1.3

CHART SHOWING WORKING CAPITAL TURNOVER RATIO



4.2 CASH FLOW ANALYSIS:

Cash flow is the net cash and cash equivalents transferred in and out of a company. Cash received represents inflows, while money spent represents outflows. A company creates value for shareholders through its ability to generate positive cash flows and maximize long-term free cash flow (FCF). FCF is the cash from normal business operations after subtracting any money spent on capital expenditures.

Businesses take in money from sales as revenues and spend money on expenses. They may also receive income from interest, investments, royalties, and licensing agreements and sell products on credit. Assessing cash flows is essential for evaluating a company's liquidity, flexibility, and overall financial performance.

Positive cash flow indicates that a company's liquid assets are increasing, enabling it to cover obligations, reinvest in its business, return money to shareholders, pay expenses, and provide a buffer against future financial challenges. Companies with strong financial flexibility fare better in a downturn by avoiding the costs of financial distress.

Cash flows are analysed using the cash flow statement, a standard financial statement that reports a company's cash source and use over a specified period.

TABLE NO: 4.2.1

TABLE SHOWING CASH FLOW STATEMENT

PARTICULARS	2019	2020	2021	2022	2023
Net Profit Before Tax	2169.33	1823.62	1947.44	2204.08	2278.17
Net Cash from Operating Activities	1824.11	1655.62	1464.22	1633.67	2095.51
Net Cash (used in)/from Investing Activities	(1113.10)	(408.02)	(1151.43)	(987.46)	(1553.88)
Net Cash (used in)/from Financing Activities	(595.52)	(1222.37)	(249.46)	(602.73)	(630.63)
Net (decrease)/Increase	115.32	26.90	63.07	44.37	(87.82)

e in Cash and Cash Equivalents					
Opening Cash & Cash Equivalents	263.58	378.90	405.80	468.87	219.02
Closing Cash & Cash Equivalents	378.90	405.80	468.87	513.24	131.20

INTERPRETATION:

The Net Profit is 2169.33 in the year 2019, it was decreased to 1823.62 in 2020 and it again increase to 1947.44 in 2021, it again increase to 2204.08 & 2278.17 in the year 2022 & 2023 respectively. The Net Cash and Cash Equivalent is 115.32 in the year 2019, it decreased to 26.90 in 2020 and it increase to 63.07 in 2021 and again it decrease to 44.37 & (87.82) in the year 2022 & 2023 respectively.

FINDINGS, SUGGESTION AND CONCLUSIONS**FINDINGS**

- The Debt Equity Ratio of Sun TV Network (P) Ltd was 1.12 in the year 2019, in the year 2020 it was increased to 1.14 and in 2021 to 2023 it was constantly decreased from 1.13 to 1.09 respectively.
- The Return On Investment of Sun TV Network (P) Ltd has been decreased constantly from 39.25% in 2019 to 24.53% in 2023.
- The Working Capital Turnover Ratio of Sun TV Network (P) Ltd was 1.08 in the year 2019, in the year 2020 & 2021 it was decreased to 0.96 & 0.73 respectively and it again increase to 0.78 in 2022 and again decrease to 0.74 in the year 2023.
- The Net Profit is 2169.33 in the year 2019, it was decreased to 1823.62 in 2020 and it again increase to 1947.44 in 2021, it again increase to 2204.08 & 2278.17 in the year 2022 & 2023 respectively. The Net Cash and Cash Equivalent is 115.32 in the year 2019, it decreased to 26.90 in 2020 and it increase to 63.07 in 2021 and again it decrease to 44.37 & (87.82) in the year 2022 & 2023 respectively.

SUGGESTION:

- The debt equity ratio has slightly decreased over the years, indicating a reduction in the company's reliance on debt financing relative to equity. This trend suggests improved long-term solvency and reduced financial risk.
- The return on investment (ROI) has experienced a significant decrease from 2019 to 2023. This decline may indicate challenges in generating profits relative to the investments made in the company.
- Working capital turnover ratio has decreased over the years, suggesting a decline in the efficiency of using working capital to generate revenue.
- Overall, while short-term solvency and liquidity seem to be generally maintained, there are areas of concern such as declining profitability and decreasing efficiency in asset utilization, which may require further analysis and strategic management attention.

CONCLUSION:

While Sun TV Network (P) Ltd has demonstrated growth in assets and profitability, there are concerns regarding liquidity and cash flow management, particularly highlighted by the decreasing trend and negative value of net cash and cash equivalents in 2022 and 2023. The company should focus on improving cash flow management strategies to ensure sufficient liquidity to support its operations and growth initiatives. Additionally, monitoring and optimizing efficiency ratios could enhance operational performance and financial stability in the long run.