

# FIRST GLOBAL

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## India Research



### Sector: Media

### What Happened Last Quarter

#### **Television Eighteen India Ltd. (TLEI.IN/TVET.BO)**

##### **Market Perform**

CMP: Rs.85.9, Mkt. Cap: Rs.15.5 bn, \$0.33 bn, June 4, '10

Relevant Index: Sensex: 17,117.7 June 4, '10

**Leveraging of strength in Television & Internet businesses to help drive growth in overall revenue...**

**Continued leadership position despite increasing competition to boost revenue from business news operations...**

Last Report's Recommendation: Market Perform (MP: Rs.84.9, Jan 21, '10)

Relevant Index: Sensex: 17,051.1 (Jan 21, '10)

Relative performance since last rating change (Oct 8, '09):

Sensex: Up 1.9%, TVET: Down 4.7%

**June 04, 2010**

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**IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT**



# Price and Rating History Chart

## Ratings Key

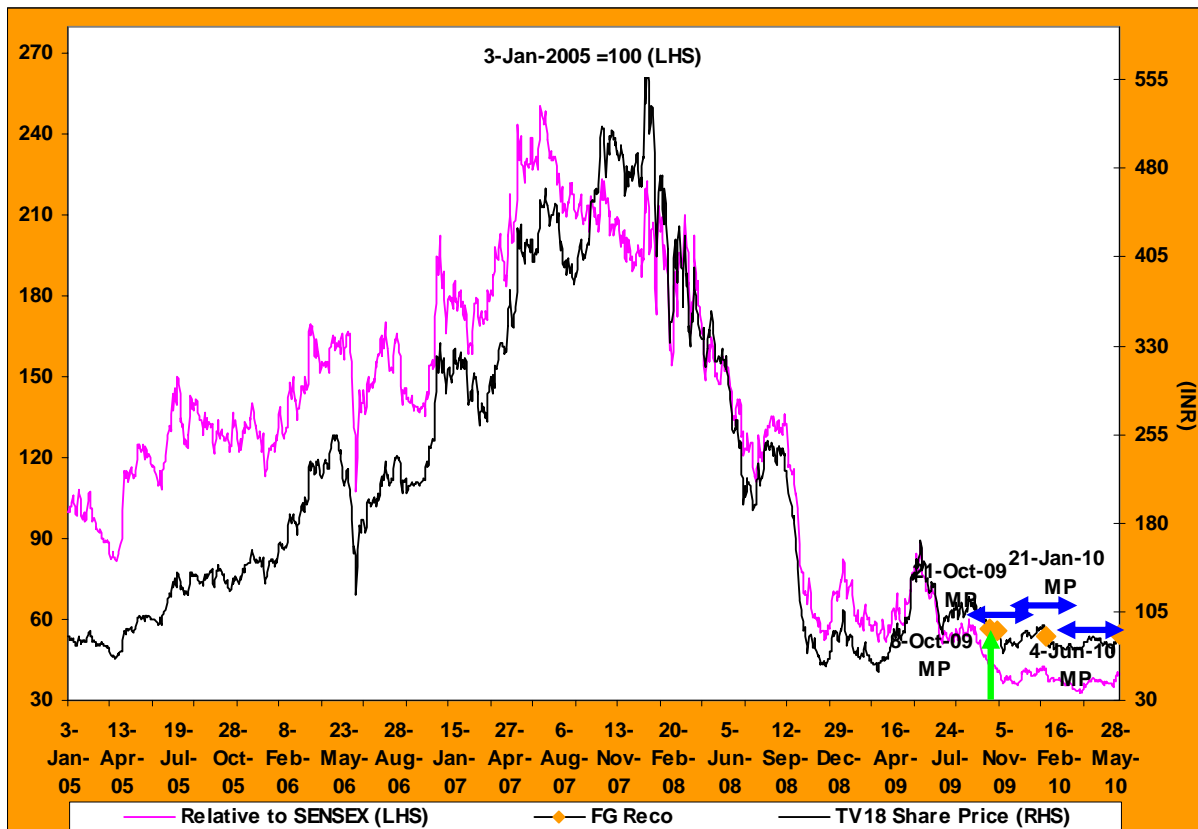
Positive Ratings	B = Buy	BD = Buy at Declines	OP = Outperform
	S-OP = Sector Outperform	M-OP = Market Outperform	MO-OP = Moderate Outperform
Neutral Ratings	H = Hold	MP = Market Perform	SP = Sector Perform
Negative Ratings	S = Sell	SS = Sell into Strength	UP = Underperform
	A = Avoid	MO-UP = Moderate Underperform	S-UP = Sector Underperform

ST: Short Term

MT: Medium Term

LT: Long Term

### Television Eighteen India Ltd. TLEI.IN / TVET.BO



*Represents an Upgrade*



*Represents a Downgrade*



*Represents Reiteration of Existing Rating*

Details of First Global's Rating System given at the end of the report



# Financial Snapshot Consolidated

## Key Financials

YE March (Rs. mn)	FY08	FY09	FY10	FY11E	FY12E
<b>Total Revenues</b>	<b>3,981</b>	<b>4,898</b>	<b>5,527</b>	<b>7,287</b>	<b>8,247</b>
<i>Revenue Growth (Y-o-Y)</i>	60.6%	23.0%	12.8%	31.8%	13.2%
<b>EBIDTA</b>	<b>809</b>	<b>-1,240</b>	<b>258</b>	<b>1,197</b>	<b>1,443</b>
<i>EBIDTA Growth (Y-o-Y)</i>	23.1%	NM	NM	363.6%	20.6%
<b>Net Profit</b>	<b>56</b>	<b>-1,664</b>	<b>-1,172</b>	<b>171</b>	<b>305</b>
<i>Net Profit Growth (Y-o-Y)</i>	-82.7%	NM	NM	NM	78.7%
<b>Net Profit Excl. extra-ordinaries</b>	<b>125</b>	<b>-2,226</b>	<b>-1,297</b>	<b>171</b>	<b>305</b>
<i>Net Profit Growth Excl. extra-ordinaries (Y-o-Y)</i>	-62.4%	NM	NM	NM	78.7%
<b>Shareholders Equity</b>	<b>5,286</b>	<b>5,853</b>	<b>11,893</b>	<b>11,893</b>	<b>11,893</b>
<b>Number of Diluted shares (mn)</b>	<b>120</b>	<b>120</b>	<b>180</b>	<b>180</b>	<b>180</b>

NM-Not Meaningful

## Key Operating Ratios

YE March	FY08	FY09	FY10E	FY11E	FY12E
<b>Diluted EPS Excl. extra-ordinaries (Rs.)</b>	<b>1.04</b>	<b>-18.5</b>	<b>-7.2</b>	<b>0.9</b>	<b>1.7</b>
<i>EPS Growth (Y-o-Y)</i>	-64.4%	NM	NM	NM	78.2%
CEPS Excl. extra-ordinaries (Rs.)	3.82	-14.5	-4.50	3.78	4.80
<b>EBIDTA (%)</b>	<b>20.3%</b>	<b>-25.3%</b>	<b>4.7%</b>	<b>16.4%</b>	<b>17.5%</b>
NPM (%)	3.1%	-45.4%	-23.5%	2.3%	3.7%
Tax/PBT (%)	77.7%	4.6%	-6.1%	37.5%	30.0%
<b>RoE (%)</b>	<b>2.9%</b>	<b>-45.5%</b>	<b>-18.6%</b>	<b>1.8%</b>	<b>3.1%</b>
<b>RoCE (%)</b>	<b>2.6%</b>	<b>-9.3%</b>	<b>0.1%</b>	<b>4.1%</b>	<b>5.4%</b>
Return on Operating Assets (%)	2.5%	-24.9%	-2.9%	5.2%	7.6%
Book Value Per share (Rs.)	44.0	37.7	52.1	53.1	54.7
<b>Debt/Equity (x)</b>	<b>1.04</b>	<b>2.16</b>	<b>0.85</b>	<b>0.68</b>	<b>0.66</b>
Dividend Payout Ratio (%)	488.6%	0.0%	0.0%	0.0%	0.3%

NM-Not Meaningful

## Free Cash flow Analysis

YE March (Rs. mn)	FY08	FY09	FY10E	FY11E	FY12E
Operating Cash flow	751	-650	31	805	1,101
Capex	718	767	252	251	251
Investments-Strategic	1,132	3,811	0	0	0
<b>Total Free Cash flow</b>	<b>-549</b>	<b>-11,148</b>	<b>-1,269</b>	<b>744</b>	<b>1,167</b>

## Valuation Ratios

YE March	FY08	FY09	FY10	FY11E	FY12E
<b>P/E (x)</b>				<b>90.6</b>	<b>50.9</b>
P/BV (x)				1.6	1.6
P/CEPS (x)				22.7	17.9
<b>EV/EBIDTA (x)</b>				<b>15.3</b>	<b>12.3</b>
Market Cap./ Sales (x)				2.1	1.9
Net cash/Market Cap (%)				NM	NM
Dividend Yield (%)				0.0%	0.0%

NM-Not Meaningful



Market Cap. and Enterprise Value Data as on June 4, 2010		
Current Market Price (Rs.)		85.9
No. of Basic Shares (mn)		180.2
	<b>Rs.bn</b>	<b>US\$ bn</b>
<b>Market Cap.</b>	<b>15.5</b>	<b>0.3</b>
Total Debt*	8.0	0.2
Cash & Cash Equivalents*	5.1	0.1
<b>Enterprise Value</b>	<b>18.4</b>	<b>0.4</b>

\* Debt & Cash & Cash Equivalents as of FY10, Exchange Rate: US\$1=Rs.46.64

DuPont Model					
YE March	FY08	FY09	FY10E	FY11E	FY12E
EBIDTA/Sales (%)	20.3%	-25.3%	4.7%	16.4%	17.5%
Sales/Operating Assets (x)	1.0	0.7	0.7	0.9	1.0
<b>EBIDTA/Operating Assets (%)</b>	<b>19.3%</b>	<b>-18.8%</b>	<b>3.1%</b>	<b>14.4%</b>	<b>17.8%</b>
Operating Assets/ Net Assets(x)	0.5	0.5	0.5	0.4	0.4
Net Earnings/ EBIDTA (%)	15.4%	179.5%	-502.5%	14.3%	21.1%
Net Assets/ Equity (x)	2.1	2.8	2.6	2.0	1.9
<b>Return on Equity (%)</b>	<b>2.9%</b>	<b>-45.5%</b>	<b>-18.6%</b>	<b>1.8%</b>	<b>3.1%</b>

Common Sized Profit & Loss Account					
YE March	FY08	FY09	FY10	FY11E	FY12E
<b>Total Revenues</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Net Raw Material Consumed	0.0%	6.2%	5.5%	5.0%	5.0%
Manufacturing Expenses	20.0%	20.8%	19.0%	18.0%	18.0%
Personnel	25.5%	39.4%	33.0%	30.0%	29.5%
Selling, General & Administrative Expenses	30.2%	37.5%	33.0%	27.0%	26.5%
Miscellaneous Expenses	4.0%	21.5%	4.8%	3.7%	3.5%
<b>EBIDTA</b>	<b>20.3%</b>	<b>-25.3%</b>	<b>4.7%</b>	<b>16.4%</b>	<b>17.5%</b>
Depreciation and Amortization	8.3%	9.8%	8.8%	7.0%	6.8%
Interest Paid	12.5%	22.3%	22.3%	11.2%	9.9%
Non-Operating Income	9.1%	7.9%	4.0%	3.7%	3.2%
Extraordinary Income	0.4%	13.8%	2.3%	0.0%	0.0%
Extraordinary Expense	2.1%	2.4%	0.0%	0.0%	0.0%
<b>Profit Before Tax</b>	<b>6.8%</b>	<b>-38.1%</b>	<b>-20.2%</b>	<b>1.9%</b>	<b>4.1%</b>
Tax	5.3%	-1.8%	1.2%	0.7%	1.2%
<b>Net Profit</b>	<b>1.4%</b>	<b>-34.0%</b>	<b>-21.2%</b>	<b>2.3%</b>	<b>3.7%</b>
<b>Net Profit Excl. extra-ordinaries</b>	<b>3.1%</b>	<b>-45.4%</b>	<b>-23.5%</b>	<b>2.3%</b>	<b>3.7%</b>

Source: Company Reports, FG Estimates

### Top Management Team

Name	Designation
Ms. Vandana Malik	Director
Mr. Sanjay Ray Chaudhuri	Whole-time Director
Mr. Manoj Mohanka	Director
Mr. Hari S Bhatia	Director
Mr. Subhash Bahl	Director



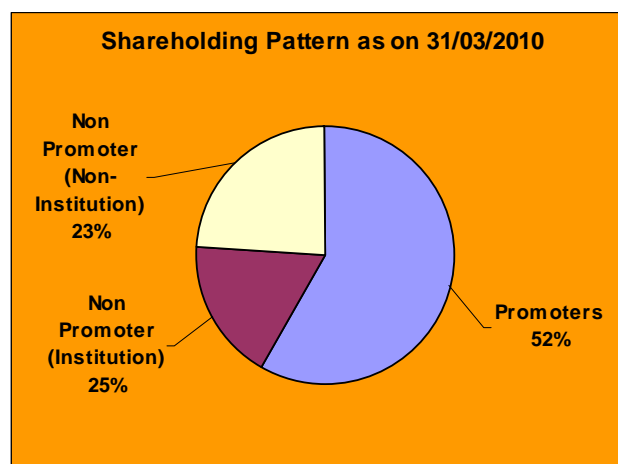
### Capital Issue History

Date	Share Capital Post Issue (Rs in Mn.)	Mode of Capital Raising
24/03/1994	0.4	Equity shares issued
25/03/1994	1	Equity shares issued
01/0/1994	5	Equity shares issued
24/09/1994	16.5	Equity shares issued
30/09/1994	20.5	Equity shares issued
9/2/1995	25.3	Equity shares issued
30/03/1996	30	Equity shares issued
18/03/1998	34	Equity shares issued
25/08/1999	43.1	Private Placement & Debenture Conv.
9/9/1999	77.5	Bonus Issue
16/10/1999	78.6	Shares Issued To Promoters
20/10/1999	80.1	Shares Issued To Promoters
21/12/1999	109.4	Public Issue
1/4/2002	116.4	Preferential Issue Of Shares
22/09/2003	117.4	Preferential Issue Of Shares
13/11/2003	135.3	Debenture Conversion
31/12/2003	145.1	Preferential Issue Of Shares
30/06/2004	155.3	Debenture / Warrants conversion
18/08/2004	168.2	Rights Issue
29/09/2005	184.8	Conversion of Warrants
27/10/2005	210.4	Conversion of Warrants
27/11/2006	262.1	Scheme of Arrangement
13/02/2007	277.5	Preferential Issue Of Shares
17/10/2007	572	Bonus Issue
29/12/2007	579.8	Conversion of Warrants
18/03/2008	584.3	Conversion of Warrants
19/03/2008	597.8	Conversion of Warrants
30/06/2008	598.40	Issued under ESOP Scheme
02/09/2008	598.90	Issued under ESOP Scheme
22/09/2008	599.40	Conversion of Warrants
02/04/2009	600.10	Issued under ESOP Scheme
18/09/2009	900.1	Rights Issue
25/02/2010	906.9	Issued under ESOP Scheme
9/4/2010	908.3	Issued under ESOP Scheme

### Key Statistics

<b>Industry:</b>	<b>Media Sector</b>
<b>52 Week Hi:Lo:</b>	Rs.165.2/70.6
<b>CMP:</b>	Rs.85.9
<b>Avg Daily Vol (20 days):</b>	0.15 mn
<b>Avg Daily Val (20 days):</b>	Rs.10.2 mn
<b>Performance over 52 weeks:</b>	

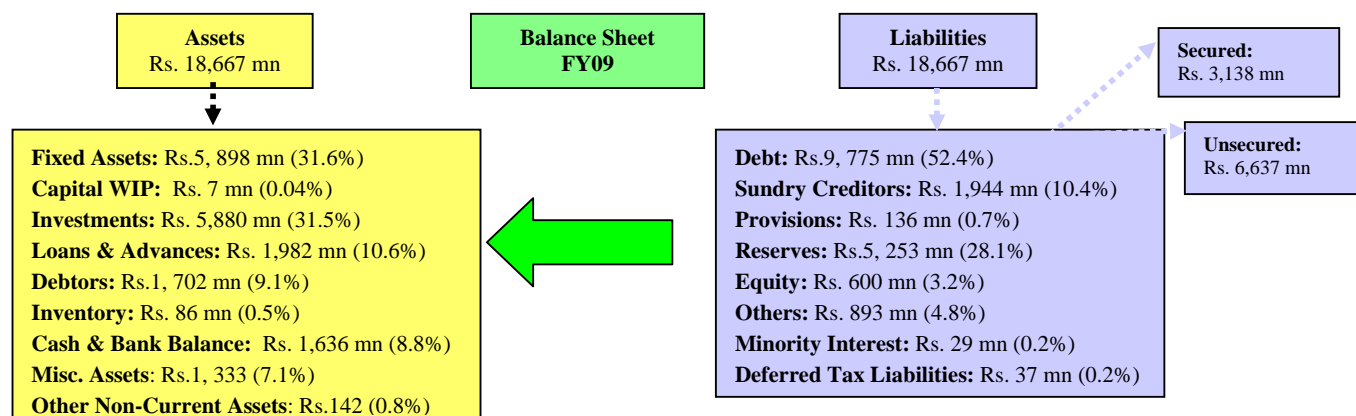
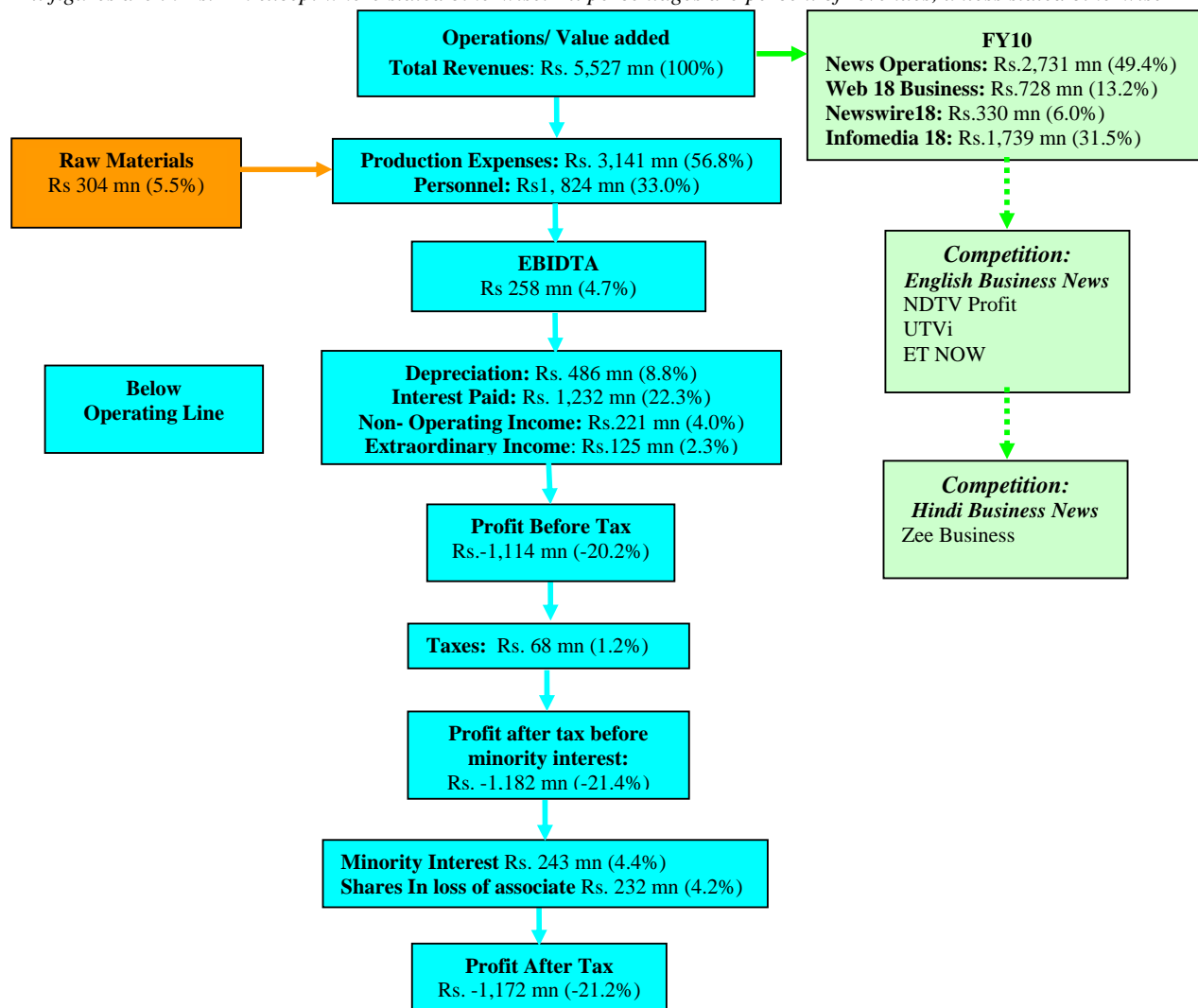
<b>TV 18 India Ltd:</b>	Down 46.2%
<b>Nifty:</b>	Up 14.1%





# Television Eighteen's Business in Pictures...FY10 (Consolidated)

All figures are in Rs. Mn except where stated otherwise. All percentages are percent of revenues, unless stated otherwise



Note The P & L numbers are for FY10, while the balance Sheet are of FY09



## ***What Happened Last Quarter...***

Television Eighteen India Ltd. (TLEI.IN/TVET.BO) delivered an encouraging set of numbers for Q4 FY10, with the company's topline and bottomline coming in ahead of our estimates, primarily due to an increase in the revenue of its Infomedia18 business, rationalisation of operating expenses, and a lower interest outgo, just as we had anticipated in our recent report...

### **Quote**

***“TV18 has decided to merge the logistics, back-end and broadcasting operations of its two channels, CNBC TV18 and CNBC AWAAZ, for which the company incurred a one time restructuring charge of Rs.44.74 mn in Q3 FY10 and which will help optimise its operational costs, going forward...Moreover, the company intends to de-leverage its balance sheet from the proceeds of its rights issue and reduce its interest expenditure over the coming quarters.”***

### **Unquote**

(From First Global's, *“Television Eighteen India: Leadership position & extended market hours to drive higher revenue from business news operations; reiterate Market Perform”*, dated January 22, 2010).

TV18 reported revenue of Rs.1.92 bn for Q4 FY10, up 20.0% Y-o-Y, as against our estimate of Rs.1.52 bn, on the back of an increase of 78.7% Y-o-Y in revenue of the Infomedia18 business to Rs.762 mn, aided by a surge in revenue of its Web18 and Newswire18 business. Moreover, the company reported a positive EBIDTA of Rs.295 mn for Q4 FY10, as against an EBIDTA loss of Rs.733 mn in Q4 FY09, on account of prudent cost control measures and the merger of the logistics, back-end and broadcasting operations of its two channels, CNBC TV18 and CNBC AWAAZ. The proforma net profit for the quarter stood at Rs.93 mn, as against a proforma net loss of Rs.1.54 bn in Q4 FY09.

We believe that TV18 will successfully leverage its strengths in the television and Internet businesses to establish synergies and further expand the local search and publishing segments of Infomedia 18, thereby driving the company's overall revenue. Moreover, the company's continued success in maintaining its leadership position despite increasing competition will also provide a boost to the revenue from its business news operations. We have now revised our FY11 EPS estimates from a negative Rs.4.6 to a positive Rs.0.9. On the valuation front, the stock currently trades at a P/E of 90.6x our FY11 estimates and an EV/EBIDTA of 15.3x our FY11 estimates. We reiterate our rating of Market Perform on TV18.

***We believe that TV18 will successfully leverage its strengths in the television and Internet businesses to establish synergies and further expand the local search and publishing segments of Infomedia 18, thereby driving the company's overall revenue...***

***...moreover, the company's continued success in maintaining its leadership position despite increasing competition will also provide a boost to the revenue from its business news operations***



**Comparative valuations – Indian peers**

Company	Year End	EPS (Rs.)		P/E (x)		P/S (x)		P/BV (x)		EV/Sales (x)		EV/EBITDA (x)		EBITDA (%)		ROE (%)		ROCE (%)		Annual EPS Growth (%)		Annual Sales Growth (%)	
		FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY11E	FY11E	FY11E	12E/11E	12E/11E				
<b>TV 18</b>	<b>Mar</b>	<b>0.9</b>	<b>1.7</b>	<b>90.6</b>	<b>50.9</b>	<b>2.1</b>	<b>1.9</b>	<b>1.6</b>	<b>1.6</b>	<b>2.4</b>	<b>2.1</b>	<b>15.3</b>	<b>12.3</b>	<b>16.4%</b>	<b>1.8%</b>	<b>4.1%</b>	<b>78.2%</b>	<b>13.2%</b>					
NDTV	Mar	0.9	1.6	105.8	63.5	1.9	1.7	4.9	4.5	2.4	2.1	19.5	15.8	12.2%	4.7%	7.4%	66.6%	11.8%					
TV Today	Mar	10.5	12.4	8.7	7.4	1.7	1.5	1.3	NA	1.8	1.5	6.5	5.3	27.2%	15.0%	NA	18.2%	15.3%					

Source: FG estimates for TV 18 and NDTV, Bloomberg estimates for TV Today  
NA – Not Applicable





## Quarterly Result Analysis (Consolidated)

YE March (Rs. mn)	Q4 FY10	Q4 FY09	Y-o-Y change %	Q3 FY10	Q-o-Q change %	12M FY10	12M FY09	Y-o-Y change %
Net Sales	1,924	1,603	20.0%	1,289	49.3%	5,527	4,898	12.8%
Total Expenditure	1,629	2,336	(30.3%)	1,214	34.3%	5,269	6,138	(14.2%)
EBIDTA	295	(733)	NM	75	291.0%	258	(1,240)	NM
Less: Depreciation	121	378	(67.9%)	117	4.1%	486	481	1.0%
EBIT	174	(1,112)	NM	(41)	NM	(228)	(1,721)	NM
Less: Interest	267	339	(21.4%)	321	(16.9%)	1,232	1,091	12.9%
Add: Other income	80	(212)	NM	67	18.7%	221	385	(42.7%)
Add: Extraordinary Income	217	292	(25.6%)	(92)	NM	125	678	(81.5%)
Less: Extraordinary Expense	0	0	NM	0	NM	0	116	(100.0%)
<b>Profit Before Tax</b>	<b>204</b>	<b>(1,370)</b>	<b>NM</b>	<b>(387)</b>	<b>NM</b>	<b>(1,114)</b>	<b>(1,864)</b>	<b>NM</b>
Less: Total Tax	7	(74)	NM	12	(46.6%)	68	(86)	NM
<b>Profit After Tax Before Minority Interest</b>	<b>198</b>	<b>(1,297)</b>	<b>NM</b>	<b>(399)</b>	<b>NM</b>	<b>(1,182)</b>	<b>(1,778)</b>	<b>NM</b>
Minority Interest	170	116	46.8%	5	3213.8%	243	185	30.8%
Share of Loss/ (Profit) of Associate	57	71	(19.4%)	21	168.2%	232	71	227.5%
<b>Profit After Tax</b>	<b>311</b>	<b>(1,252)</b>	<b>NM</b>	<b>(415)</b>	<b>NM</b>	<b>(1,172)</b>	<b>(1,664)</b>	<b>NM</b>
<b>Proforma Net Profit</b>	<b>93</b>	<b>(1,544)</b>	<b>NM</b>	<b>(323)</b>	<b>NM</b>	<b>(1,297)</b>	<b>(2,226)</b>	<b>NM</b>
Weighted Average Shares Outstanding (mn)	180	120		135		180	120	
<b>Reported EPS (Rs.)</b>	<b>1.72</b>	<b>(10.4)</b>	<b>NM</b>	<b>(3.08)</b>	<b>NM</b>	<b>(6.50)</b>	<b>(13.9)</b>	<b>NM</b>
<b>Proforma EPS (Rs.)</b>	<b>0.52</b>	<b>(12.9)</b>	<b>NM</b>	<b>(2.39)</b>	<b>NM</b>	<b>(7.20)</b>	<b>(18.6)</b>	<b>NM</b>
<b>Margin Analysis</b>			<b>Y-o-Y Change in bps</b>		<b>Q-o-Q Change in bps</b>			<b>Y-o-Y Change in bps</b>
EBIDTA Margin	15.3%	-45.7%	6105	5.9%	947	4.7%	-25.3%	2998
EBIT Margin	9.0%	-69.3%	7834	-3.2%	1221	-4.1%	-35.1%	3101
Proforma NPM	4.8%	-96.3%	10114	-25.0%	2989	-23.5%	-45.4%	2198
Effective Tax Rate	3.2%	5.4%	-216	-3.2%	642	-6.1%	4.6%	-1076

Source: Company Reports, FG Estimates

NM – Not Meaningful

In Q4 FY10, TV18 reported net sales of Rs.1.92 bn, up 20.0% Y-o-Y, due to a surge in revenue of Infomedia 18, which grew 78.7% Y-o-Y to Rs.762 mn and contributed 39.6% to the topline. Revenue of the company's news business declined 7.7% Y-o-Y to Rs.840.6 mn and contributed 43.7% to the topline. Web18 recorded revenue of Rs.229.1 mn, up 17.4% Y-o-Y, contributing 11.9% to the topline, while revenue of Newswire18 increased 31.4% Y-o-Y to Rs.92.5 mn, contributing 4.8% to the topline in Q4 FY10.



Moreover, a decline in operating expenditure due to prudent cost control measures and the merger of the logistics, back-end and broadcasting operations of its two channels, CNBC TV18 and CNBC AWAAZ, resulted in a positive EBIDTA of Rs.295 mn for Q4 FY10, as against an EBIDTA loss of Rs.733 mn in Q4 FY09. TV18 reported a positive EBIDTA margin of 15.3% in Q4 FY10, as against a negative EBIDTA margin of 45.7% in Q4 FY09. The EBIDTA of the company's news business came in at Rs.235.8 mn in Q4 FY10, as against an EBIDTA loss of Rs.460.7 mn, while the EBIDTA of Web18 declined 70.2% Y-o-Y to Rs.20.5 mn, due to higher operating expenses. Newswire18 reported an EBIDTA profit of Rs.11.2 mn in Q4 FY10, as against an EBIDTA loss of Rs.11.4 mn in Q4 FY09, while Infomedia18 reported an EBIDTA profit of Rs.27.4 mn for the quarter, as against an EBIDTA loss of Rs.341.0 mn in Q4 FY09.

Also, a decline of 67.9% Y-o-Y in depreciation expense to Rs.121 mn, coupled with a decline of 21.4% Y-o-Y in interest expense to Rs.267 mn, due to repayment of debt from the proceeds of the rights issue and a minority interest of Rs.170 mn, partially offset by a contribution of Rs.57 mn towards losses of its associate companies, led to a proforma net profit of Rs.93 mn for Q4 FY10, as against a net loss of Rs.1.54 bn in Q4 FY09. The company reported a proforma EPS of Rs.0.52 for Q4 FY10.



## Earnings Model (Consolidated)

YE March Rs. mn	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	FY10	Q1 FY11E	Q2 FY11E	Q3 FY11E	Q4 FY11E	FY11E
<b>Total Revenue</b>	<b>1,073</b>	<b>1,240</b>	<b>1,289</b>	<b>1,924</b>	<b>5,527</b>	<b>1,577</b>	<b>1,724</b>	<b>1,845</b>	<b>2,140</b>	<b>7,287</b>
<b>Total Cost</b>	<b>1,065</b>	<b>1,353</b>	<b>1,214</b>	<b>1,629</b>	<b>5,269</b>	<b>1,325</b>	<b>1,448</b>	<b>1,541</b>	<b>1,777</b>	<b>6,090</b>
<b>EBIDTA</b>	<b>9</b>	<b>-113</b>	<b>75</b>	<b>295</b>	<b>258</b>	<b>252</b>	<b>276</b>	<b>304</b>	<b>364</b>	<b>1,197</b>
Less: Depreciation	122	126	117	121	486	123	127	129	132	510
<b>EBIT</b>	<b>-114</b>	<b>-239</b>	<b>-41</b>	<b>174</b>	<b>-228</b>	<b>130</b>	<b>149</b>	<b>175</b>	<b>232</b>	<b>686</b>
Interest Paid	317	327	321	267	1,232	215	208	202	195	819
Non-operating Income	37	36	67	80	221	59	65	71	76	270
Extraordinary Income	0	-8	-92	217	125	0	0	0	0	0
<b>Profit Before Tax</b>	<b>-394</b>	<b>-539</b>	<b>-387</b>	<b>204</b>	<b>-1,114</b>	<b>-26</b>	<b>5</b>	<b>44</b>	<b>114</b>	<b>137</b>
<b>Profit Before Tax Excl. extra-ordinaries</b>	<b>-394</b>	<b>-530</b>	<b>-294</b>	<b>-13</b>	<b>-1,239</b>	<b>-26</b>	<b>5</b>	<b>44</b>	<b>114</b>	<b>137</b>
Tax	27	22	12	7	68	3	2	13	34	52
<b>Profit After Tax before Minority Interest</b>	<b>-421</b>	<b>-561</b>	<b>-399</b>	<b>198</b>	<b>-1,182</b>	<b>-29</b>	<b>4</b>	<b>31</b>	<b>80</b>	<b>86</b>
Minority Interest	2	65	5	170	243	14	38	31	40	123
Share of Loss/ (Profit) of Associate	-12	165	21	57	232	-20	19	15	24	39
<b>Profit After Tax</b>	<b>-407</b>	<b>-661</b>	<b>-415</b>	<b>311</b>	<b>-1,172</b>	<b>6</b>	<b>23</b>	<b>46</b>	<b>96</b>	<b>171</b>
<b>Profit After Tax Excl. extra-ordinaries</b>	<b>-407</b>	<b>-653</b>	<b>-323</b>	<b>93</b>	<b>-1,297</b>	<b>6</b>	<b>23</b>	<b>46</b>	<b>96</b>	<b>171</b>
<b>Weighted Average Shares Outstanding (mn)</b>	<b>120</b>	<b>120</b>	<b>135</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>
Diluted EPS (Rs.)	-3.39	-5.51	-3.08	1.72	-6.50	0.03	0.13	0.26	0.53	0.95
Diluted EPS Excl. extraordinaries (Rs.)	-3.39	-5.44	-2.39	0.52	-7.20	0.03	0.13	0.26	0.53	0.95
<b>Margins</b>										
EBIDTA Margin (%)	0.8%	-9.1%	5.9%	15.3%	4.7%	16.0%	16.0%	16.5%	17.0%	16.4%
EBIT Margin (%)	-10.6%	-19.3%	-3.2%	9.0%	-4.1%	8.2%	8.6%	9.5%	10.9%	9.4%
PBT Margin (%)	-36.7%	-43.4%	-30.0%	10.6%	-20.2%	-1.6%	0.3%	2.4%	5.3%	1.9%
NPM (%)	-37.9%	-53.3%	-32.2%	16.1%	-21.2%	0.4%	1.3%	2.5%	4.5%	2.3%
NPM Excl. extra-ordinaries (%)	-37.9%	-52.6%	-25.0%	4.8%	-23.5%	0.4%	1.3%	2.5%	4.5%	2.3%
Effective Tax Rate (%)	-6.9%	-4.1%	-3.2%	3.2%	-6.1%	-10.0%	30.0%	30.0%	30.0%	37.5%



## **IMPORTANT DISCLOSURES**

### ***Price Target***

Price targets if any are derived from a subjective and/or quantitative analysis of financial and non-financial data of the concerned company using a combination of P/E, P/Sales, earnings growth, and its stock price history.

*The risks that may impede achievement of the price target/investment thesis are –*

- **Favourable changes in the economic climate**
- **More than expected increase in Viewership share**
- **Decrease in the competition of business news channels**
- **Faster than expected off take in subscription revenues**



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### **Rating in this report is relative to: Sensex**

#### **Positive Ratings**

- (i) Buy B – This rating means that we expect the stock price to move up and achieve our specified price target, if any, over the specified time period.*
- (ii) Buy at Declines BD – This rating means that we expect the stock to provide a better lower entry price and then move up and achieve our specified price target, if any, over the specified time period.*
- (iii) Outperform OP – This is a relative rating, which means that we expect the stock price to outperform the specified market/sector index over the specified time period.*

#### **Neutral Ratings**

- (i) Hold H – This rating means that we expect no substantial move in the stock price over the specified time period.*
- (ii) Marketperform MP – This is a relative rating, which means that we expect the stock price to perform in line with the performance of the specified market/sector index over the specified time period.*

#### **Negative Ratings**

- (i) Sell S – This rating means that we expect the stock price to go down and achieve our specified price target, if any, over the specified time period.*
- (ii) Sell into Strength SS – This rating means that we expect the stock to provide a better higher exit price in the short term, by going up. Thereafter, we expect it to move down and achieve our specified price target, if any, over the specified time period.*
- (iii) Underperform UP – This is a relative rating, which means that we expect the stock price to underperform the specified market/sector index over the specified time period.*
- (iv) Avoid A – This rating means that the valuation concerns and/or the risks and uncertainties related to the stock are such that we do not recommend considering the stock for investment purposes.*



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