

## MEDIA SECTOR

### Cautious Ad outlook - Print in better position than Television

We interacted with media agencies and media companies to understand the current trend and outlook on the media sector. National advertisements being under pressure, the first half of FY12 is expected to be a spoilsport especially for the Television segment. However, Education, Automobiles and Local advertisers save the day for the print sector. Upcoming festive season is expected to provide some respite to the ad industry. This reaffirms our view that the Print sector will outperform Television with mid-level double digit ad growth for Print while single digit ad growth for Television.

#### Local advertisements saves the day for regional Print players

- National advertisers cut spends, local continue to spend
- Volume driven advertising revenue
- Response based advertising most effective on Print
- Listed Print players expect mid-level double digit growth for FY12

#### Tough time for TV

- Slowdown in advertising spend by FMCG, Real Estate, Banking
- Festive season to see volume uptick
- Dependence on advertising will steadily reduce as digitization catches up
- ZEE expects high single digit ad growth for FY12.

#### PINC View

We believe the Print sector should outperform the broadcasting sector as was the case in Q1FY12 wherein Print achieved double digit ad growth (barring Jagran Prakashan (JPL), which registered a growth of 8%). Despite slowdown in national advertising, local spending (Education, BFSI, Automobile) will provide support to the regional print players. We expect listed print players - DB Corp, HT Media, Hindustan Media Ventures (HMVL) and JPL to register ad revenue CAGR of 13-15% over FY11-FY13. For the current quarter, we estimate double digit ad growth for Jagran Prakashan, DB Corp and HMVL while high single digit ad growth for HT Media(English).

#### Our Top Pick in the sector remains JPL

We believe JPL is well poised to capture the growth opportunity in its markets and across the business segments. Considering its highest readership base, leadership in the largest print ad market - UP, launch of new editions and positive traction from other media verticals, we expect the company to post revenue and PAT CAGR of 12% each over FY11-13E. At CMP, the stock is attractively trading at 13x FY13E EPS. We maintain 'BUY' recommendation on the stock with a target price of Rs148 (18x FY13E EPS).

Key Risk to our call:

- 1) Increase in newsprint prices; 2) Further slowdown in the economy; 3) Increased competition in the current markets of JPL

### Sector Summary

#### KEY FINANCIALS

Company	CMP (Rs)	Mkt Cap (Rs bn)	Net sales (Rs mn)		EPS (Rs)		P/E (x)		TP (Rs)	Potential Upside(%)
			FY12E	FY13E	FY12E	FY13E	FY12E	FY13E		
DB Corp	222	40	14,382	16,540	13.4	16.0	16.5	13.8	288	30%
Jagran Prakashan	106	33	13,740	15,257	7.7	8.2	13.8	12.9	148	40%
HMVL	144	10	5,956	6,741	9.3	11.3	15.5	12.8	180	25%
HT Media	142	32	20,682	23,674	8.9	10.7	16.1	13.4	191	34%
Sun TV	281	111	20,375	23,158	19.4	22.2	14.5	12.6	400	42%

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#### AD GROWTH YOY(%)

	Quarter Ended		
	Dec-10	Mar-11	Jun-11
DB Corp	28.9	19.1	20.2
Jagran Prakashan	31.3	19.7	7.7
HMVL	35.0	19.5	15.1
HT Media	27.2	20.5	17.0
Sun TV	16.0	16.3	4.1

#### ABSOLUTE PERFORMANCE(%)

	1mth	3mth	12mth
DB Corp	(4.1)	(2.5)	(13.9)
Jagran Prakashan	(3.1)	(15.3)	(21.1)
HMVL	5.0	(3.7)	(24.5)
HT Media	(6.6)	(12.4)	(13.6)
Sun TV	(1.8)	(5.7)	(42.3)

**Key takeaways from our interactions with media agencies and media companies****Local advertisements save the day for regional Print players**

In the current uncertain environment wherein the national advertisers have cut their ad spending, local ad spenders have helped the industry maintaining its double digit ad growth. As per our interaction with the print players, advertisement in the current economic scenario is largely driven by volumes and moderately by yields. Innovations like adding more space or providing color ads at discounted price have helped in offering lower effective ad rates which has helped to increase ad volumes.

Media planners anticipate that Print will continue to gain traction reaping the benefits of being regional. Big spenders like Education, Automobile and Infrastructure which are 'response based advertisers' for which Print media is the most suited and is most desired. Listed print media players anticipate delivering double digit ad growth in the range of 13-15% for FY12.

**Tough time for TV**

TV ad industry witnessed a slump in ad sales till August 2011, mainly on the back of reduced ad spend by sectors like FMCG, Real Estate, Banking. Adding to that, competitive intensity and fragmentation in the industry have also gone up. Success of new non-fiction shows with high talent cost has forced big broadcasters to replace low TRP programs in prime time so as to counter the fluctuation in viewership of their channels. Zee TV has been affected the most, it has moved to the No.4 slot behind Star, Colors and Sony. Our interactions with ZEE's management suggests that the company is attempting to improve its current content, replace low TRP programmes and increase the original programming hours.

Media agencies believe the festive months of October and November should see some volume up tick though with a cautious outlook. However, media veterans also believe that going forward dependence on advertisement will reduce with the rapid penetration of digital distribution in the market. The larger players with bouquet of multiple channels will help gain higher subscription revenue from DTH and HD channels. ZEE's management reveals that ad growth for July was flattish and August saw marginal growth over last year, the management expects single digit ad growth for FY12.

**Ad revenue Outlook**

INR mn	FY10	FY11	FY12E	FY13E	CAGR(FY11-13)
<b>DB Corp</b>					
Ad Revenue	7,776	9,578	11,235	13,033	16%
% growth	11	23	17	16	
<b>Jagran Prakashan</b>					
Ad Revenue	6,384	7,665	8,618	9,763	13%
% growth	16	20	12	13	
<b>HMVL</b>					
Ad Revenue	2,964	3,761	4,419	5,182	17%
% growth	22	27	17	17	
<b>HT Media</b>					
Ad Revenue	1,144	1,391	1,599	1,851	15%
% growth		22	15	16	
<b>Sun TV</b>					
Ad Revenue	7,887	9,710	10,681	11,963	11%
% growth	38	23	10	12	

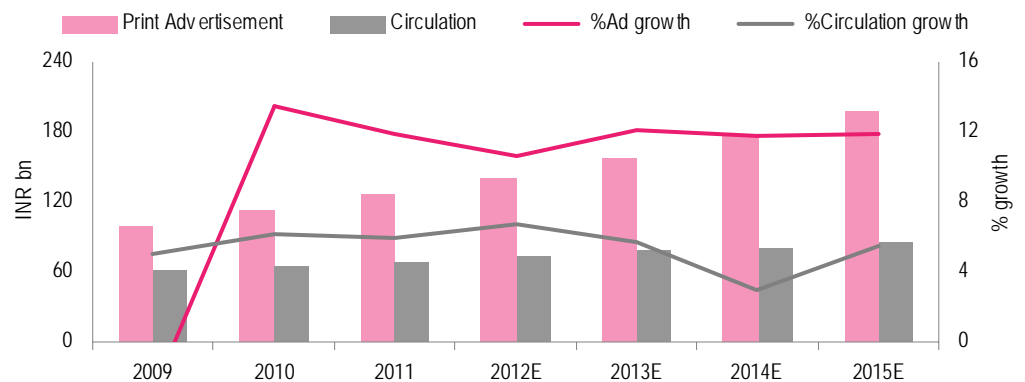
Source: Company, PINC Research

**Media sector Outlook**

INR bn	2009	2010	2011	2012E	CAGR(2011-15)
<b>Television</b>					
	266	307	353	404	14.3%
% growth	8.5	15.4	15.2	14.4	
TV Advertisement	89	101.5	116	133	14.6%
% Ad growth	5.7	14	14.3	14.7	
Subscription	165	192	222	254	14.1%
%Subscription growth	10	16.4	15.6	14.4	
<b>Print</b>					
	162	179	196	214	9.5%
%Ad growth	(0.3)	10.7	9.8	9.3	
Print Advertisement	100	113.5	127	140.5	11.6%
% growth	(3)	13.5	11.9	10.6	
Circulation	62	65.2	69.2	73.9	5.3%
%Circulation growth	5	6.2	6	6.8	
<b>Radio Advertisement</b>					
	9	11	14	17	17.8%
% growth	8.4	20	25	22.2	

Source: PWC, India Entertainment and Media Outlook 2011

**Print to continue its robust double digit Ad growth**

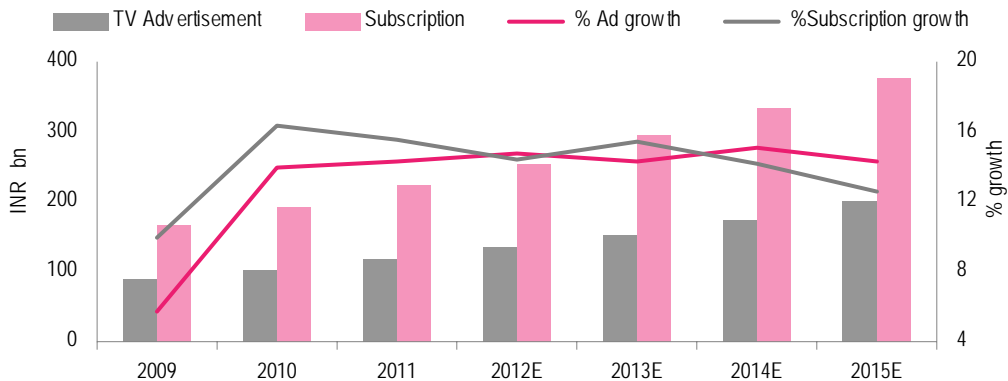


Source: PWC, India Entertainment and Media Outlook 2011

Advertising on print will continue its strong momentum with 12% CAGR over 2011-2015  
Circulation to remain stable with CAGR of 12% over 2011-2015...

**TV revenue outlook**

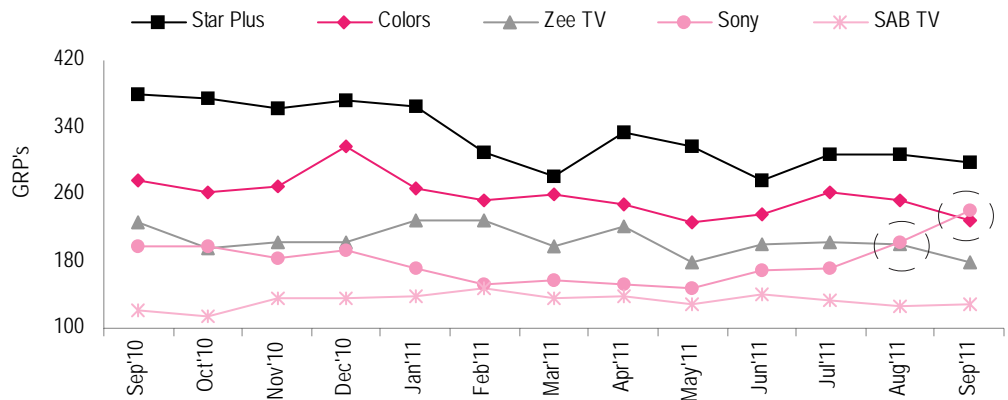
Subscription revenue to have annualized growth of 14.1% over (2011-2015)...



Source: PWC, India Entertainment and Media Outlook 2011

**Hindi GEC's dynamic viewership**

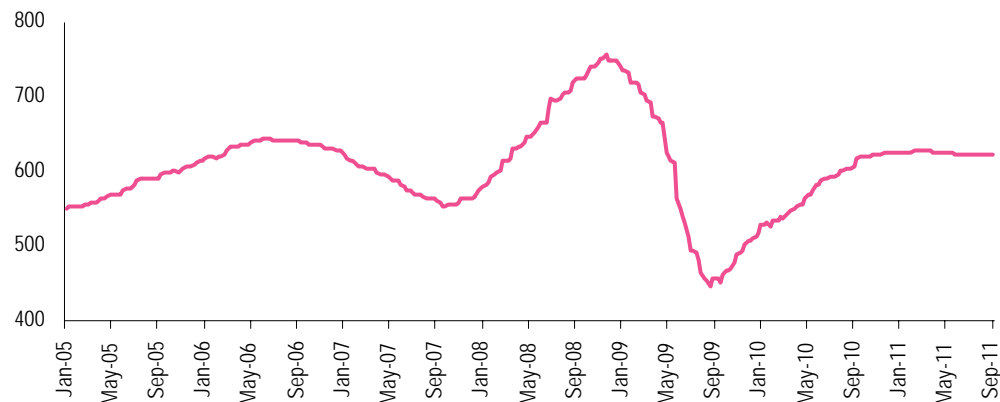
Zee TV saw a dramatic shift in GRP's reaching No4 position due to great response for Sony's KBC and its other popular prime time soaps...



Source: TAM, PINC Research

**US Newsprint Prices in USD/MT**

Print media players expect newsprint prices to be lower in the coming months...



Source: Bloomberg, PINC Research

**Consolidated Financials**

Year Ended March (Figures in Rs mn)

Income Statement	FY09	FY10	FY11	FY12E	FY13E
Net sales	9,490	10,630	12,652	14,382	16,540
Growth (%)	11.6	12.0	19.0	13.7	15.0
Gross profit	4,084	6,033	6,968	7,435	8,831
Other operating charges	2,731	2,604	2,937	3,344	3,988
EBITDA	1,353	3,429	4,031	4,090	4,843
Growth (%)	(20.8)	153.4	17.5	1.5	18.4
Depreciation	290	378	433	469	492
Other income	120	112	142	130	126
EBIT	1,183	3,163	3,740	3,751	4,477
Interest paid	402	357	153	108	108
PBT (before E/o items)	782	2,806	3,587	3,643	4,369
Tax Provision	423	1,057	1,000	1,187	1,431
E/o loss / (Income)	-	-	-	-	-
Net profit	358	1,749	2,587	2,457	2,938
Adj.net profit (Including MI)	476	1,828	2,585	2,456	2,938
Growth (%)	(36.6)	283.9	41.4	(5.0)	19.6
Diluted EPS (Rs)	2.8	10.1	14.1	13.4	16.0
Diluted EPS Growth (%)	(36.5)	256.9	40.0	(5.0)	19.6

Cash Flow Statement	FY09	FY10	FY11	FY12E	FY13E
Pre-tax profit	782	2,806	3,587	3,643	4,369
Depreciation	290	378	433	469	492
Total tax paid	(357)	(1,013)	(911)	(1,187)	(1,431)
Chg in working capital	122	(198)	(556)	(465)	(564)
Other operating activities	313	387	188	(31)	108
Cash flow from oper. (a)	1,150	2,360	2,741	2,429	2,975
Capital expenditure	(2,845)	(596)	(1,423)	(1,400)	(1,400)
Chg in investments	168	(1,273)	(3)	13	-
Other investing activities	-	(1)	845	-	-
Cash flow from inv. (b)	(2,677)	(1,871)	(581)	(1,387)	(1,400)
Free cash flow (a+b)	(1,527)	489	2,160	1,042	1,575
Equity raised/(repaid)	-	2,535	4	-	-
Debt raised/(repaid)	2,011	(2,268)	(835)	(500)	(500)
Change in Minorities Interest	-	-	-	-	-
Dividend (incl. tax)	(99)	(258)	(688)	(723)	(723)
Other financing activities	(395)	(396)	(134)	(108)	(108)
Cash flow from fin. (c)	1,517	(388)	(1,652)	(1,331)	(1,331)
Net chg in cash (a+b+c)	(356)	1,498	(219)	(289)	244

Balance Sheet	FY09	FY10	FY11	FY12E	FY13E
Equity Share capital	1,688	1,815	1,833	1,833	1,833
Reserves & surplus	889	4,672	6,456	8,189	10,404
Shareholders' funds	2,577	6,487	8,289	10,022	12,237
Minorities interests	124	44	4	-	-
Total Debt	5,631	3,207	2,372	1,872	1,372
Capital Employed	8,332	9,739	10,665	11,894	13,609
Net fixed assets	6,471	6,475	7,358	8,289	9,197
Net Other Current Assets	1,564	1,717	2,107	2,462	3,026
Cash & Cash Eq.	452	1,950	1,731	1,442	1,686
Investments	238	205	163	150	150
Net Deferred Tax Assets	(393)	(609)	(695)	(525)	(450)
Total assets	8,332	9,739	10,665	11,894	13,609

Key Ratios	FY09	FY10	FY11	FY12E	FY13E
OPM (%)	14.3	32.3	31.9	28.4	29.3
Net margin (%)	5.0	17.0	20.2	16.9	17.6
Yield (%)	0.2	0.9	0.9	1.6	1.6
Net debt/Equity (x)	1.9	0.2	0.1	0.0	0.0
Net Working Capital (days)	69	122	108	101	104
Asset turnover (x)	2.0	1.5	1.5	1.5	1.5
ROCE (%)	13.6	30.6	32.9	30.2	31.8
RoE (%)	18.5	28.2	31.2	24.5	24.0
EV/Net sales (x)	4.5	4.0	3.3	2.9	2.5
EV/EBITDA (x)	31.9	12.3	10.4	10.2	8.5
PER (x)	79.7	22.3	16.0	16.5	13.8
Price/Book (x)	15	6	5	4	3

**Consolidated Financials**

Income Statement	FY09	FY10	FY11	FY12E	FY13E
Net sales	8,234	9,419	12,210	13,740	15,257
<i>Growth (%)</i>	<i>9.8</i>	<i>14.4</i>	<i>29.6</i>	<i>12.5</i>	<i>11.0</i>
Gross profit	3,990	5,470	6,621	7,518	8,425
Other operating charges	2,423	2,648	3,053	3,546	4,003
EBITDA	1,567	2,823	3,568	3,972	4,422
<i>Growth (%)</i>	<i>(4.4)</i>	<i>80.1</i>	<i>26.4</i>	<i>11.3</i>	<i>11.3</i>
Depreciation	383	507	655	660	720
Other income	227	343	256	310	305
EBIT	1,411	2,658	3,169	3,622	4,007
Interest paid	59	66	91	118	120
PBT (before E/o items)	1,352	2,592	3,079	3,505	3,887
Tax Provision	436	833	976	1,077	1,288
E/o loss / (Income)	-	-	23	-	-
Net profit	916	1,759	2,080	2,427	2,598
<i>Growth (%)</i>	<i>(6.8)</i>	<i>91.9</i>	<i>18.3</i>	<i>16.7</i>	<i>7.0</i>
Diluted EPS (Rs)	3.0	5.8	6.6	7.7	8.2
<i>Diluted EPS Growth (%)</i>	<i>(6.8)</i>	<i>91.9</i>	<i>13.9</i>	<i>15.4</i>	<i>7.0</i>

Cash Flow Statement	FY09	FY10	FY11	FY12E	FY13E
Pre-tax profit	1,352	2,592	3,056	3,505	3,887
Depreciation	383	507	655	660	720
Total tax paid	(413)	(749)	(1,018)	(1,077)	(1,288)
Chg in working capital	(125)	(259)	(368)	(45)	(461)
Other operating activities	(1)	(87)	8	299	120
Cash flow from oper. (a)	1,197	2,004	2,332	3,342	2,977
Capital expenditure	(1,319)	(454)	(1,811)	(1,500)	(1,550)
Chg in investments	378	22	(889)	517	300
Other investing activities	34	45	80	75	50
Cash flow from inv. (b)	(907)	(387)	(2,620)	(908)	(1,200)
Free cash flow (a+b)	289	1,618	(288)	2,434	1,777
Equity raised/(repaid)	-	-	-	-	-
Debt raised/(repaid)	580	(129)	400	(924)	(100)
Dividend (incl. tax)	(352)	(1,409)	(527)	(1,554)	(1,554)
Other financing activities	(56)	(55)	(86)	(118)	(120)
Cash flow from fin. (c)	172	(1,593)	(212)	(2,596)	(1,774)
Net chg in cash (a+b+c)	461	24	(499)	(162)	3

Balance Sheet	FY09	FY10	FY11	FY12E	FY13E
Equity Share capital	602	602	633	633	633
Reserves & surplus	4,997	5,523	6,390	7,263	8,308
Shareholders' funds	5,599	6,125	7,022	7,896	8,940
Minorities interests	-	-	-	-	-
Total Debt	1,415	1,214	1,924	1,000	900
Capital Employed	7,014	7,339	8,947	8,896	9,840
Net fixed assets	3,990	3,941	5,469	6,285	7,115
Net Other Current Assets	1,149	1,460	1,715	1,760	2,221
Cash & Cash Eq.	828	852	362	201	204
Investments	1,568	1,666	2,017	1,500	1,200
Net Deferred Tax Assets	(521)	(580)	(617)	(850)	(900)
Total assets	7,014	7,339	8,947	8,896	9,840

Key Ratios	FY09	FY10	FY11	FY12E	FY13E
OPM (%)	19.0	30.0	29.2	28.9	29.0
Net margin (%)	10.8	18.0	16.7	17.3	16.7
Yield (%)	1.9	3.3	3.3	4.0	4.0
Net debt/Equity (x)	0.1	0.1	0.2	0.1	0.1
Net Working Capital (days)	88	90	62	52	58
Asset turnover (x)	1.7	1.7	1.7	1.6	1.5
ROCE (%)	18.7	33.6	33.1	37.2	37.3
RoE (%)	16.4	28.7	29.6	30.7	29.1
EV/Net sales (x)	3.9	3.4	2.9	2.5	2.2
EV/EBITDA (x)	20.7	11.4	9.8	8.6	7.7
PER (x)	34.8	18.2	16.1	13.8	12.9
Price/Book (x)	5.7	5.2	4.8	4.2	3.7

**Consolidated Financials**

Income Statement	FY09	FY10	FY11	FY12E	FY13E
Net sales	176	1,623	5,197	5,956	6,741
Growth (%)	4.8	820.8	220.2	14.6	13.2
Gross profit	69	713	2,318	2,680	3,020
Other operating charges	64	466	1,432	1,670	1,782
EBITDA	5	246	886	1,010	1,238
Growth (%)	(38.0)	4,555.0	259.6	14.0	22.6
Depreciation	4	25	164	187	224
Other income	1	47	83	196	232
EBIT	3	268	805	1,019	1,246
Interest paid	-	37	43	23	28
PBT (before E/o items)	3	230	762	997	1,218
Tax Provision	1	76	226	313	390
E/o loss / (Income)	1	-	-	-	-
Net profit	1	154	536	684	828
Adjusted net profit (Including MI)	1	154	536	684	828
Growth (%)	43.2	19,654.3	248.0	27.6	21.1
Diluted EPS (Rs)	0.3	2.7	7.3	9.3	11.3
Diluted EPS Growth (%)	(68.6)	805.8	170.9	27.6	21.1

Cash Flow Statement	FY09	FY10	FY11	FY12E	FY13E
Pre-tax profit	2	230	762	997	1,218
Depreciation	4	25	165	187	224
Total tax paid	(1)	25	39	23	28
Chg in working capital	(3)	207	(134)	1,018	163
Other operating activities	(0)	28	56	23	28
Cash flow from oper. (a)	2	516	887	2,247	1,660
Capital expenditure	(10)	(235)	(293)	(600)	(600)
Chg in investments	-	(312)	(1,578)	(610)	(300)
Other investing activities	1	3	18	-	-
Cash flow from inv. (b)	(9)	(544)	(1,853)	(1,210)	(900)
Free cash flow (a+b)	(5)	(107)	(2,183)	714	342
Equity raised/(repaid)	-	455	2,562	-	-
Debt raised/(repaid)	-	1,350	(1,350)	(5)	(100)
Change in Minorities Interest	-	-	-	-	-
Dividend (incl. tax)	-	-	-	(86)	(86)
Other financing activities	-	(17)	(45)	(23)	(28)
Cash flow from fin. (c)	-	371	1,371	(114)	(64)
Net chg in cash (a+b+c)	(7)	265	90	600	279

Balance Sheet	FY09	FY10	FY11	FY12E	FY13E
Equity Share capital	70	571	734	734	734
Reserves & surplus	36	182	3,056	3,740	4,568
Shareholders' funds	106	754	3,790	4,473	5,302
Minorities interests	-	-	-	-	-
Total Debt	-	1,350	205	200	100
Capital Employed	106	2,104	3,995	4,673	5,402
Net fixed assets	76	1,559	1,686	2,099	2,475
Net Other Current Assets	23	(33)	93	(924)	(1,087)
Cash & Cash Eq.	6	271	361	1,035	1,249
Investments	-	312	1,890	2,500	2,800
Net Deferred Tax Assets	(0)	(6)	(36)	(36)	(36)
Total assets	106	2,104	3,995	4,673	5,402

Key Ratios	FY09	FY10	FY11	FY12E	FY13E
OPM (%)	3.0	15.2	17.1	17.0	18.4
Net margin (%)	0.4	9.2	10.1	11.1	11.9
Yield (%)	0.0	0.0	0.0	0.0	0.0
Net debt/Equity (x)	(0.1)	1.0	(0.5)	(0.8)	(0.8)
Debtors (days)	50	161	54	55	55
Asset turnover (x)	1.4	1.1	2.8	2.5	2.2
ROCE (%)	2.7	23.9	20.0	21.6	22.9
RoE (%)	0.7	35.8	14.1	15.3	15.6
EV/Net sales (x)	5.6	5.7	2.0	1.5	1.3
EV/EBITDA (x)	187.5	37.5	11.7	8.9	6.8
PER (x)	-	-	19.6	15.5	12.8
Price/Book (x)	-	-	3	2	2

**Consolidated Financials**

Year Ended March (Figures in Rs mn)

Income Statement	FY09	FY10	FY11	FY12E	FY13E
Net sales	13,466	14,129	17,674	20,682	23,674
Growth (%)	11.9	4.9	25.1	17.0	14.5
Gross profit	3,170	2,241	3,240	3,567	4,024
Other operating charges	2,291	(313)	69	(510)	(810)
EBITDA	879	2,554	3,171	4,076	4,834
Growth (%)	(48.3)	190.6	24.2	28.5	18.6
Depreciation	688	707	842	1,115	1,138
Other income	330	409	478	496	432
EBIT	521	2,256	2,807	3,457	4,128
Interest paid	323	295	236	213	218
PBT (Before E/o Items)	198	1,961	2,571	3,245	3,910
Tax Provision	125	536	713	1,071	1,290
E/o loss / (Income)	189	69	-	-	-
Net profit	(116)	1,355	1,858	2,174	2,619
Adj. net profit (Incl. MI)	9	1,359	1,809	2,081	2,505
Growth (%)	(99.1)	14,906.6	33.1	15.1	20.3
Diluted EPS (Rs)	-	5.8	7.7	8.9	10.7
Diluted EPS Growth (%)	(99.1)	14,906.6	33.1	15.1	20.3

Cash Flow Statement	FY09	FY10	FY11	FY12E	FY13E
Pre-tax profit	9	1,891	2,571	3,245	3,910
Depreciation	688	707	842	1,115	1,138
Total tax paid	(205)	(407)	(515)	(1,071)	(1,290)
Chg in working capital	1,313	1,695	(328)	(317)	(233)
Other operating activities	284	166	(82)	213	218
Cash flow from oper. (a)	2,089	4,052	2,487	3,185	3,742
Capital expenditure	(2,597)	(1,575)	(773)	(1,000)	(1,100)
Chg in investments	(1,126)	(1,778)	(3,098)	295	(200)
Other investing activities	280	574	925	(691)	535
Cash flow from inv. (b)	(3,443)	(2,779)	(2,946)	(1,396)	(765)
Free cash flow (a+b)	(1,354)	1,273	(459)	1,789	2,977
Equity raised/(repaid)	2	-	1,979	(0)	-
Debt raised/(repaid)	1,491	(490)	(881)	(584)	(300)
Change in Minorities Interest	-	-	-	-	-
Dividend (incl. tax)	(110)	(70)	(85)	(137)	(137)
Other financing activities	(300)	(283)	(343)	(913)	(868)
Cash flow from fin. (c)	1,084	(844)	670	(1,634)	(1,305)
Net chg in cash (a+b+c)	(270)	429	211	155	1,672

Balance Sheet	FY09	FY10	FY11	FY12E	FY13E
Equity Share capital	470	470	470	470	470
Reserves & surplus	8,015	9,241	12,552	14,496	16,863
Shareholders' funds	8,485	9,711	13,022	14,966	17,333
Minorities interests	(69)	218	1,299	-	-
Total Debt	3,706	4,021	3,122	2,539	2,239
Capital Employed	12,122	13,950	17,443	17,505	19,572
Net fixed assets	7,717	8,407	8,244	8,128	8,091
Net Other Current Assets	871	(142)	367	684	917
Cash & Cash Eq.	705	1,087	1,152	1,307	2,979
Investments	3,035	4,755	7,595	7,300	7,500
Net Deferred Tax Assets	(206)	(156)	86	86	86
Total assets	12,122	13,950	17,443	17,505	19,572

Key Ratios	FY09	FY10	FY11	FY12E	FY13E
OPM (%)	6.5	18.1	17.9	19.7	20.4
Net margin (%)	0.1	9.3	10.0	9.8	10.4
Yield (%)	0.2	0.3	0.3	0.4	0.4
Net debt/Equity (x)	0.0	(0.2)	(0.4)	(0.4)	(0.5)
Debtors (days)	60	63	52	60	60
Asset turnover (x)	1.6	1.4	1.5	1.6	1.7
ROCE (%)	4.5	17.1	17.8	19.9	22.4
RoE (%)	0.1	14.9	15.9	14.9	15.5
EV/Net sales (x)	2.7	2.6	2.0	1.7	1.4
EV/EBITDA (x)	41.4	14.2	11.1	8.5	6.8
PER (x)	3,684.8	24.6	18.4	16.1	13.4
Price/Book (x)	4	3	3	2	2



**Consolidated Financials**

Year Ended March (Figures in Rs mn)

Income Statement	FY09	FY10	FY11P	FY12E	FY13E
Net sales	10,394	14,528	20,135	20,375	23,158
Growth (%)	19.5	39.8	38.6	1.2	13.7
Gross profit	8,125	11,962	16,842	16,871	19,159
Other operating charges	757	1,053	1,063	1,461	1,718
<b>EBITDA</b>	<b>7,368</b>	<b>10,909</b>	<b>15,779</b>	<b>15,411</b>	<b>17,441</b>
Growth (%)	23.3	48.1	44.6	(2.3)	13.2
Depreciation	2,205	3,209	4,805	4,456	4,814
Other income	668	350	487	600	675
<b>EBIT</b>	<b>5,831</b>	<b>8,049</b>	<b>11,461</b>	<b>11,554</b>	<b>13,302</b>
Interest paid	138	49	23	52	55
<b>PBT (before E/o items)</b>	<b>5,693</b>	<b>8,000</b>	<b>11,439</b>	<b>11,502</b>	<b>13,247</b>
Tax Provision	2,293	2,991	3,831	3,853	4,438
E/o loss / (Income)	-	-	-	-	-
<b>Net profit</b>	<b>3,400</b>	<b>5,009</b>	<b>7,608</b>	<b>7,649</b>	<b>8,809</b>
<b>Adj. net profit (Including MI)</b>	<b>3,683</b>	<b>5,199</b>	<b>7,698</b>	<b>7,638</b>	<b>8,759</b>
Growth (%)	12.7	41.2	48.1	(0.8)	14.7
Diluted EPS (Rs)	9.3	13.2	19.5	19.4	22.2
Diluted EPS Growth (%)	13.1	41.0	48.3	(0.8)	14.7

Cash Flow Statement	FY09	FY10	FY11P	FY12E	FY13E
Pre-tax profit	5,693	8,000	11,439	11,502	13,247
Depreciation/Amortisation	2,205	3,209	4,805	4,456	4,814
Total tax paid	(2,017)	(2,811)	(3,831)	(3,853)	(4,438)
Chg in working capital	413	(892)	(1,241)	(497)	(922)
Other operating activities	(419)	(35)	(152)	111	75
<b>Cash flow from oper. (a)</b>	<b>5,875</b>	<b>7,471</b>	<b>11,019</b>	<b>11,719</b>	<b>12,776</b>
Capital expenditure	(7,085)	(5,825)	(3,852)	(4,200)	(6,200)
Chg in investments	3,370	(4,619)	363	(1,783)	(1,200)
Other investing activities	-	3,899	-	(43)	(30)
<b>Cash flow from inv. (b)</b>	<b>(3,715)</b>	<b>(6,545)</b>	<b>(3,489)</b>	<b>(6,026)</b>	<b>(7,430)</b>
<b>Free cash flow (a+b)</b>	<b>2,160</b>	<b>927</b>	<b>7,530</b>	<b>5,693</b>	<b>5,346</b>
Equity raised/(repaid)	-	1,066	-	-	-
Debt raised/(repaid)	6	(709)	(1)	-	-
Change in Minorities Interest	-	-	-	-	-
Dividend (incl. tax)	(1,844)	(1,153)	(4,034)	(4,380)	(4,610)
Other financing activities	(250)	(43)	(23)	(52)	(55)
<b>Cash flow from fin. (c)</b>	<b>(2,088)</b>	<b>(838)</b>	<b>(4,058)</b>	<b>(4,432)</b>	<b>(4,665)</b>
<b>Net chg in cash (a+b+c)</b>	<b>(643)</b>	<b>713</b>	<b>3,472</b>	<b>1,261</b>	<b>680</b>

Balance Sheet	FY09	FY10	FY11P	FY12E	FY13E
Equity Share capital	1,970	1,970	1,970	1,970	1,970
Reserves & surplus	10,328	12,167	15,831	19,089	23,238
<b>Shareholders' funds</b>	<b>17,016</b>	<b>19,734</b>	<b>23,397</b>	<b>26,656</b>	<b>30,804</b>
Minorities interests	385	371	385	412	452
Total Debt	716	1	-	-	-
<b>Capital Employed</b>	<b>18,117</b>	<b>20,106</b>	<b>23,782</b>	<b>27,068</b>	<b>31,256</b>
Net fixed assets	9,718	12,126	11,114	10,857	12,244
Net Other Current Assets	2,968	1,372	2,613	3,110	4,032
Cash & Cash Eq.	3,654	4,367	7,839	9,101	9,781
Investments	2,038	2,580	2,217	4,000	5,200
Net Deferred Tax Assets	(261)	(339)	-	-	-
<b>Total assets</b>	<b>18,117</b>	<b>20,106</b>	<b>23,782</b>	<b>27,068</b>	<b>31,256</b>

Key Ratios	FY09	FY10	FY11P	FY12E	FY13E
OPM (%)	70.9	75.1	78.4	75.6	75.3
Net margin (%)	33.3	34.9	37.3	36.4	36.8
Yield (%)	0.9	2.6	3.0	3.3	3.4
Debt/Equity (x)	0.0	0.0	0.0	0.0	0.0
Net Working Capital (days)	233	144	189	219	218
Asset turnover (x)	0.7	0.8	0.9	0.7	0.7
ROCE (%)	34.1	41.5	51.8	45.4	45.6
RoE (%)	23.4	28.3	35.7	30.5	30.5
EV/Net sales (x)	10.8	7.6	5.3	5.2	4.5
EV/EBITDA (x)	15.2	10.1	6.8	6.9	6.0
PER (x)	31.1	22.1	14.9	14.5	12.6
Price/Book (x)	7	6	5	4	4

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