



“Jagran Prakashan Q4 FY2015 Earnings Conference Call”

May 29, 2015



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Moderator: Ladies and gentlemen, good day and welcome to Jagran Prakashan Limited Q4 FY 2015 Earnings Conference Call, hosted by ICICI Securities Limited. As a reminder all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing “*” then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Jayant Dongre of ICICI Securities. Thank you and over to you Sir!

Jayant Dongre: Good afternoon everyone. We at ICICI Securities are pleased to host the Q4 FY 2015 conference call for Jagran Prakashan. As usual, we have the entire management team of Jagran with us, represented by Mr. Sanjay Gupta, CEO, Mr. Shailesh Gupta, Director of Marketing, Mr. R. K. Aggarwal, the CFO of the company. Over to you Sir for the opening remarks.

R. K. Aggarwal: Welcome to the conference call of JPL. Thank you very much for sparing your valuable time. First, I will begin with presenting a true picture of the topline growth, which from press release looks pretty muted because press release could not have presented a complete picture. In this connection, I would like you to note as follows:

1 .As far as the core business is concerned, that is, Dainik Jagran, there was a growth in operating revenue exceeding 9%, which under the circumstances was way above expectation.

2.The topline growth has been muted by certain strategic decisions, although the economic conditions were also not supportive of the higher growth. Sacrificing certain outdoor and event revenues, sacrificing low ad. rate revenues and also sacrificing the private treaty and property barter revenues have reduced the growth in topline but there is no regret because these decisions were taken keeping in view long term .



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3. Sacrificed low ad rate revenues itself could have added, not less than 3% to our overall advertisement revenue growth and nearly another 2% to the topline growth.

Now coming to the profit as well as the operating profit, both grew on expected lines in spite of overall revenue not looking so great. This was due to cost efficiencies; increase in per copy realization of almost all newspaper brands and no increase in average newsprint cost for the year. Similarly, if you look at adjusted PAT, which has been adjusted for non-recurring items, registered a growth of 32% for the year and 46% for the Q4 with the corresponding increase in EPS.

Radio City crossed first time 30% EBITDA margin and recorded growth of 52% in EBITDA with 30% growth in topline, which is far ahead of radio industry's growth rate. Needless to mention, performance of Radio City was way above what we expected when we were looking at this opportunity. As you all know, MIB has approved the proposed acquisition yesterday and we are working towards closing the transaction in the next 8 to 10 day's time, so that Q1 itself captures at least one-month's performance.

As far as balance sheet is concerned, it continues to be strong given the robust cash accruals from print business and conservative policies of the management. Group's debt-equity ratio stands only at 0.61, which with further accruals will come down to less than 0.5 by September 30, 2015.

The net current assets as shown in the results are slightly lower, but it does not imply the stressed liquidity, because current liabilities include those liabilities as well, which will fall due for payment after September 30, and will be paid out of further accruals.

In order to increase our focus on newly acquired radio business, core business and so important digital----- there too we have done incredibly well, we have evaluated certain small size businesses of ours and those which are instrumental in pulling down the overall margins and we have come to the conclusion that City Plus is probably not our cup of tea and therefore we have decided to discontinue



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the publication of this loss making brand. The closer plan is in progress and we expect it to be closed before the second quarter.

Similarly, outdoor/ event businesses are also those where scalability and intensity of the competition from unorganized sector seem to be a huge challenge. They complement newspaper business, no doubt about it, but at the same time, they consume lot of management bandwidth, focus and pull down the overall margin.

So, we have come to the conclusion that these businesses company should exit from and we are exploring the ways and means how to exit from this business without losing our capital, which is not much, but still whatever stands invested in the business, we are pretty confident that we would recover while exiting from the businesses.

We expect far better growth in advertisement revenue in the year 2015-2016, but it is really difficult to predict at the moment what it would be as the pickup in consumer spends is difficult to predict; however, since March 2015, there is a heartening growth in advertisement revenue of more than double digit. Increase in circulation revenue will continue in 2015-2016, driven by further improvement in per copy realization and increase in circulation, which we have planned, given stable newsprint prices and expected pickup in economy in the a few months' time.

As far as newsprint prices are concerned, they are likely to remain stable at the current level or may increase insignificantly. The remaining cost will remain stable and may increase at less than 10%.

We expect accordingly another rewarding year ahead and hope and trust that we would live up to your expectations once again or rather do still better with Radio City getting merged into the results of the company.

Thank you very much. Now, we invite your question, which you may have and we will endeavor to answer them to your satisfaction.

Moderator: Thank you very much Sir. Our first question is from Rajeev Varaliya of Edelweiss. Please go ahead.

Abneesh Roy: Sir, thanks for the opportunity. This is Abneesh here. Sir, my first question is on Radio City. The revenue growth in this quarter is lower than the full year number, but costs have grown faster than the full year number, so I you could explain that part that after acquisition, why this is happened?

R. K. Aggarwal: We have not yet taken you know control of Radio City. We do not have any say in the management as yet, but I have benefit of explanation, which I have received from MBPL for Q4. Everyone had a lower growth in Q4, so this was not something, which is worrying, but still if you look at the growth, this growth is higher than many of their peers, number one. Number two, yes, the expenses have increased in Q4. They were essentially due to certain one off items, which have taken place because this acquisition process was on and regroupings.

Abneesh Roy: So, that has cost implication, is that significant?

R. K. Aggarwal: That was a substantial amount. I do not have figure, because I do not have access to all of their figures, but basis, you know, of the explanation, which I have received from them, there were lot of expenses on account of this exercise.

Abneesh Roy: Right, that is helpful. Sir, you have rightly decided outdoor and events kind of exiting at, but Sir, if you see, do you plan to sell this so can we get some decent amount by selling this and why such a delay Sir, because if you see in these businesses you said unorganized competition, so that has been there for so many years and we do not see most of the other listed entities being there in this, so why such a delay in the exit of these businesses?

R. K. Aggarwal: That is okay, matter is that we still believe these businesses are good and compliment to the newspaper business. But, since now, you have another huge business on your platter, we do not want to divert our attention or bandwidth any longer and that is why we have taken this call and in terms of realization of

invested capital, as I said , we will most certainly recover if not more, although there will be an attempt to recover in fact a higher amount. Yesterday, in the board meeting also we discussed the issue and we are very clear in our mind that we will not lose any money on account of exiting from the business.

Abneesh Roy: Till the time we exit?

R. K. Aggarwal: They are not going incur losses now. In fact if you look at their Q4 performance, it has improved from Q3 and whatever actions we have taken in 2014-2015, they will result in some profits, but as I mentioned, we are not exiting because we are expecting them to continue to incur losses. We are exiting from the businesses because we want to focus more on our core digital and radio businesses and because even if they give profit, it will not be commensurate with the print profits or radio profits, so as a result of that, we will have a drop in our margins which we do not want. If they give, Rs.100 or Rs.120 Crore of topline and if they give me operating profit of Rs.8 to Rs.10 Crores, it does not make sense to waste time.

Abneesh Roy: Sir, any time length you have on exiting and till then, will it be the largely run on an EBITDA neutral basis?

R. K. Aggarwal: See, EBITDA neutral, it will not be. It will be giving some EBITDA, but not at a rate at which print business gives the EBITDA or not at a rate at which radio business gives the EBITDA.

Abneesh Roy: Any time length Sir, when will it happen?

R. K. Aggarwal: This is a decision which management has just taken, so let us see. Now, we will proceed to look for opportunities how do we exit, but definitely, our target is to exit from these businesses within this financial year.

Abneesh Roy: Sir, my next question is on subscription revenues. It has been a good driver of growth last few years, now if you see the scenario is changing completely. The newsprint costs are benign and then you are seeing second-half recovery, so in the next financial year, so this financial year FY 2016, will it be a low single-digit

number that you are targeting because the competition is also quite significant in your areas. They are also taking price hiking, cover price?

R. K. Aggarwal: See, cover price hike, we had been taking in the past two years, at stages . Last year also we have taken the hike in cover prices, which will give the full benefit in the current year and that is why I have mentioned in the opening remark that my per copy realization would improve further, but further increases, we do not expect and as far as competitive intensity is concerned, that keeps happening. Even last year, that kept happening and in the years to come, that will keep happening and as you rightly said, once the economy picks up, it will intensify also, but still we believe that our realization is not going to drop from where we stand. In fact, it will slightly improve as I mentioned in my opening remarks, because it does not happen across the country, it happens in pockets.

Abneesh Roy: Sir, broadly you have covered, but you have not answered, are you targeting a single digit low single digit subscription?

R. K. Aggarwal: Increases in cover price even if are not possible because the economy improves and intensity of the competition increases, but as I mentioned in my opening remarks, there is bound to be in further improvement in per copy realization because of increases taken in the stages in the previous year, because the full benefit will come only this fiscal. . Where Jagran benefits , that is because of its presence across the country. In some pockets, if you lose circulation revenue because of drop in cover prices, we are able to recover it elsewhere.

Abneesh Roy: Sir, that is quite useful. My last question is on the advertising revenue. You said around 3% of the growth was sacrificed because of not taking low rate ad revenue. So, now this strategy we have seen in one more player, which has seen lower growth, so my question is which player, is gaining from this refusal of advertisement that is number one?

R. K. Aggarwal: Of course, those players who are desperate to get the advertisement at whatever price .



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Abneesh Roy: Second Sir is, so do you expect to gain from the strategy because last few quarters, there is a slow down?

R. K. Aggarwal: No, if you look at Dainik Jagran growth that is better than the industry's overall growth rate for 2014-2015. This strategy has paid very well and this strategy has resulted in improved operating margins as well, so we do not have any regret for that, but definitely it cannot go on and on, but fact of the matter is Dainik Jagran advertisement revenue has grown by more than 7%, which is higher than the industry's overall growth rate, so there is no reason for us to feel sad about it or bad about it, but what will be the strategy going forward, only Director of Marketing will be able to explain.

Shailesh Gupta: The strategy is very clear. We have a limited inventory, and we want to utilize our inventory with the advertisers who give us maximum rates. We do not want to increase our pagination for lower rate advertising. We are not saying that we will not pick up lower rate advertising, we will pick up a lower rate advertising, but very, very restricted.

Abneesh Roy: Sir, this slow down in advertising, if you see, if you could elaborate why in print the slow down is far more versus TV and within segment wise, category wise, if you can say, where you expect recovery, and why do you expect recovery, so second half, if you see, the entire country is saying there is a recovery, but Sir, the recovery has been delayed anyway, so what makes you think, second half there could be recovery?

R. K. Aggarwal: In second half, recovery I am expecting and this is what should give us more than double digit growth, but it is very difficult to predict as I mentioned in the opening remarks, because it is difficult to predict the consumer spend, but what March, April and May have shown to us is probably in the first quarter, we would do at least double-digit growth.

Abneesh Roy: Could be elaborate that category wise?

R. K. Aggarwal: FMCG is the top performer for whole of the industry in the year 2014-2015 and that was top performer for us even. Number two was automobile that was good for us also and then was the education.

Shailesh Gupta: Education this year looks much better than what it was?

Abneesh Roy: That is all from my side. Thanks a lot.

Moderator: Thank you. Next question is from Srinivas Seshadri of Antique Stock. Please go ahead.

Srinivas Seshadri: Congratulation to the management on the Radio City acquisition closure. I have a few questions. Firstly, can you talk about what kind of price increases have you taken for the Dainik Jagran and some of the smaller brands in the key markets?

R. K. Aggarwal: You are talking about advertisement.

Srinivas Seshadri: Advertisement, rate increases?

R. K. Aggarwal: This is something, which Director of Marketing will be able to say, but let me tell you in fact, last year's entire growth of 7.2% in advertisement revenue for Dainik Jagran is attributed to improved yield only.

Shailesh Gupta: We are still working on the yields. It varies from advertiser to advertiser. It can go anywhere from 3%- 4% up to 15% to 20%. It is depending on which advertiser is committing, what kind of volumes and which advertiser is more interested in our market, There is no fixed rule for all the advertisers.

Srinivas Seshadri: So, at a company level, how do expect it to translate, would it be similar to current year like around 7% to 8% yield improvement or anything lower or higher?

Shailesh Gupta: For last 2 years , we really worked hard on the yield and we were able to take much higher yields than expected so every year-on-year that kind of high expectation will not be good for the business, but there will be an increase, so it is not 7% it could be 6% or it could be 8%, we do not know, because the negotiations with big advertisers are on.



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- Srinivas Seshadri:** Okay, and Mr. Aggarwal can you for some light on within Dainik Jagran what was a performance of some of the key states like UP, Bihar, Jharkhand, and NCR etc?
- R.K. Aggarwal:** Bihar last year that is in 2013-2014 was a nightmare, but 2014-2015 it has improved its performance. UP has been fantastically good as it is. All regions have done well.
- Srinivas Seshadri:** Can you give some numbers? Sir,
- R.K. Aggarwal:** Numbers Mr. Seshadri are difficult to be given, but let me share with you in fact this time all the territories have done well.
- Srinivas Seshadri:** Sir, just on digital wanted to understand the strategy, in our earlier conversations, you mentioned that post the radio acquisition closure, you will be kind of more clear on the digital strategy also so just wanted to get some sense on what is being planned for next year in terms of product sales and marketing and so on.
- R.K. Aggarwal:** This is a key to the company and I would request CEO to throw light on this.
- Sanjay Gupta:** You are wanting to have a roadmap on the digital approach?
- Srinivas Seshadri:** Yes sir.
- Sanjay Gupta:** Our approach to digital is very clear. We will continue to focus on mobile and internet on the news category and we will come out with content, which will increase the users on both mobile and internet and we will continue to concentrate on our subject specific Josh platform and Onlymyhealth.com. These are the two platforms that significantly contribute to the overall unique users plus we are going to look into Mid-Day contributing towards the unique users as last year we concentrated on Naidunia. This year, we will be concentrating on Mid-Day contributing more to the unique users.
- Srinivas Seshadri:** Sir, here in terms of a) trying to draw traffic to your sides plus also from attracting advertisers doing more proactive rather than kind of automated selling, if you can through some more light on what?



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Sanjay Gupta: We have both opportunities at our hand. We have our own selling teams as well as we rely on ad selling networks. So we do get better traction and better rates once we have our own selling teams going in to the market, so we will enhance the affectivity of our teams into the market .

R.K. Aggarwal: Mr. Seshadri, let me also share with you. Jagran's news properties have been just rated as No. 2 by COMSORE after Times of India and nearly 60% to 70% traffic of ours comes from mobile applications. Revenue growth in digital was to the tune of 41% as you might have seen from the press release as well during the year. In fact, our own team has been put in place only from November or December. Earlier, we were clearly banking upon the ad network. So, since the time we have put in place our team, which is being expanded as our CEO has mentioned, the monthly run rate has significantly increased.

Srinivas Seshadri: Sir, just one final bookkeeping question, the depreciation cost has increased suddenly in the fourth quarter. I was given to understand earlier that depreciation cost should actually come down because of our WDV?

R.K. Aggarwal: Absolutely right. Next year we will have the benefit because our method of depreciation is written down value method. This year why you have had such a huge hit is because everyone in the industry or rather in the country had to revise the useful life of the fixed assets as a result of hike in the depreciation rates as specified in the law.

Srinivas Seshadri: Sir, I was actually more specifically referring to fourth quarter suppose first quarter onwards the new revised depreciation policy was in place, so the fourth quarter has suddenly seen a bit of spike in the depreciation?

R.K. Aggarwal: In the fourth quarter depreciation, you are talking about the consolidated one?

Srinivas Seshadri: Yes.

R.K. Aggarwal: Fourth quarter there is no spike as such because you know for the whole of the year we had an extra depreciation of 25 Crores and for the fourth quarter 9 crores . Yes, it was slightly high because of certain capitalizations, which were done.



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- Srinivas Seshadri:** Sir, would you be able to give some color on how much depreciation we should build in for next year?
- R.K. Aggarwal:** For the next year----- this year's depreciation is over 104 Crores, so clearly I am seeing this depreciation going down to anything between 85 Crores and 90 Crores excluding Radio City.
- Srinivas Seshadri:** You will see that happening immediately from the next quarter onwards?
- R.K. Aggarwal:** Oh! Yes, because you know this is the benefit of written down value method as against this our peers who follow the straight-line method, they will have a consistent high charge of depreciation to the P&L.
- Srinivas Seshadri:** Thanks and wish you all the best for the next year.
- Moderator:** Thank you. Next question is from Amit Kumar of Investor Capital. Please go ahead.
- Amit Kumar:** Thank you so much for the opportunity Sir. I am really sorry I joined the call a little bit late and I think you just describing the three factors which impacted your ad growth in this particular quarter. I got the last one I missed the first two, if you could please just summarize it for me?
- R.K. Aggarwal:** Amit, in fact, I was explaining the reasons for the lower topline growth including advertisement revenue, so the three reasons, which I mentioned were ---- number one there were certain strategic decisions taken, which lowered the growth besides the economic conditions. The first decision was not to go for unprofitable outdoor advertising revenues and not to go for you know event revenues from government because of uncertainty with regard to recovery from the government and this in itself lowered the growth by nearly 1.5% in the topline. Then besides that we especially in case of Mid-Day had significant amount of revenue coming from private treaties and property barter, which if you recall I mentioned last year also, we have discontinued. So last year we accounted for nearly Rs.8 Crores to Rs.9 Crores of revenue in Mid-Day from these two revenues streams as against, which we had only just for 1 Crore and that was also because of carried forward

contracts . So that also lowered advertisement revenue growth by nearly 0.5% . Number three was we sacrificed nearly 3% of our total advertisement revenue because they were low rate advertisements.

Amit Kumar: Sir, could you give a couple of examples of these you know low rate, you know contracts?

R.K. Aggarwal: Director of Marketing will respond to that.

Amit Kumar: At least the key categories.

Shailesh Gupta: I am not too sure if you want to let it out because it is a very confidential issue and it will not be correct for me to say on this part.

Amit Kumar: May be not the specific clients, but broad categories where it is more difficult to sort of push through the rate increases?

Shailesh Gupta: Yes, categories if you really want to see it, it could be basically people who are into pharma industry.

Amit Kumar: Thank you.

Moderator: Thank you. Our next question is from Raunak Agarwal of Catamaran. Please go ahead.

Lakshmi Narayanan: This is Lakshmi Narayanan here. I have two questions. One is what is guidance for the Radio business for the coming financial year and the next and what kind of taxation one has to take in?

R.K. Aggarwal: Second question is easier, which I will take up first. There should not be any tax impact in the next year unless and until the Radio City again does something exceptionally good, which they are used to.

Lakshmi Narayanan: What revenues one can actually assume Sir?

R.K. Aggarwal: Mr. Lakshmi Narayanan as I mentioned, while we are speaking at a stage where it is really very difficult to project how the economy is going to shape up or pickup , it is difficult to predict about revenue growth too as media industry is clearly the function of that, but still we expect 15% growth in advertisement revenue of Radio City.

Lakshmi Narayanan: What are the steps you have taken to ensure that the talent in Radio City remains intact and have you kind of sized kind of clauses so that they do not actually leave in the next one-year and how are you planning to have that?

R. K. Aggarwal: This system has been put in place and the team is very happy even if you know JPL has not yet taken over the management. The team is pretty happy with JPL.

Lakshmi Narayanan: Sir, and the other question, which I had if I look at your last quarter presentation and this quarter presentation, last quarter you had mentioned that 30% of the traffic comes from mobile side whereas this year this quarter you have mentioned it is almost like 60% to 65 % right, can you just help me understand why such a big jump, number one and second which are locations from where the this traffic is coming in? Is it coming from UP or Bihar...?

R. K. Aggarwal: Incidentally, the digital head Bharat Gupta is also with me and he will be able to explain that position more clearly why mobile traffic has increased from 30% to 60% to 70% within just three to four months time.

Bharat Gupta: I think one of the key reasons for increase in mobile traffic is definitely the rapidly increasing penetration of smart phones and as we all know that the 3G rollout is now taking place in Tier2, Tier3, and Tier4 towns, which is causing the main increase in traffic. Also , we have also concentrated a lot on the technology level, the offerings of our applications. So for all the news websites, our education website, and our health website, lot of applications have been launched . We have created different teams who have identified the kind of content which will work on mobile . So apart from the content which works on web so naturally on mobile, you need shorter content, you need it more impactful and that is we have been experimenting on and finally I think in last three to four months, we have been able to crack that kind of content.

Lakshmi Narayanan: From where these who are the readers and from which locations are they from metros?

Bharat Gupta: Yes, something is very pleasantly surprising about our offerings, which gives us great confidence About 45% of our consumers are those who come from the region of Delhi NCR followed by about 20% to 25% coming from Maharashtra and then Andhra Pradesh. So as you see not many of the readers are actually coming from core areas simply because the penetration of net in core areas is still quite limited and once the real penetration of internet starts in the areas, we will see much more aggregation of traffic. Lastly I would say again one of the key reasons in helping us to increase mobile offerings was Android based smart phone as they are priced very competitively People are going for them and we have about 25 plus applications on Android device alone ranging between education, health, and news.

Lakshmi Narayanan: Okay, what kind of engagement levels you are seeing Sir on an average how many minutes reader or unique visitors spend on your website and mobile, does it increase also?

Bharat Gupta: Yes, it has been increasing, so I would say like last year it was averaging about 1.5 to 2 minutes, which has increased to about ranging between 3.5 and 4 depending upon the kind of websites. So education websites may offer higher engagement so the time spent would be about six minutes plus per session and also something very interesting is that from the student community, our audience on net is between the age group of 15 and 25 We have been experimenting with paid content in form of paid applications and downloadable PDF for text webs and all, we are seeing is quite a good of traction on the same.

Lakshmi Narayanan: Sir, I can just one last question on the cover price if you index the cover price at Rs.100 for the start at the financial year. Mr. Aggarwal, if I index cover price at Rs.100 for start at the financial year towards end, what is being in the cover price increase?

R. K. Aggarwal: There was increase in per copy realization of nearly 6%. That is only in case of Dainik Jagran. For example Mid-Day in that case there was a negative per copy



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realization, which has got converted into a positive per copy realization of more than Re.1

Lakshmi Narayanan: Thanks a lot Sir, I will come back queue.

Moderator: Thank you. Our next question is from Amit Kumar of Investor Capital. Please go ahead.

Amit Kumar: Thank you again for the opportunity. Just a quick word on the events business; I think couple of quarters back when we were acquiring the Radio City business and because events business works probably even better with FM Radio in alignment with FM Radio than it does with print there was some thought that the event business will come under the aegis of Radio City, so is that plan out know?

R. K. Aggarwal: Amit, in fact this possibility also we are keeping in our mind while we are planning to make an exit. We will be in a better position to tell about it a few months later. For sure what we said holds good even now, but will have to compare the benefits and the cost.

Amit Kumar: In the Radio City business of the overall topline of more than 200 Crores would you have some sense how much gets contributed?

R. K. Aggarwal: That is something very interesting. In fact I should have pointed out myself. Unlike ENIL, which has nearly 25% revenue coming event business. Radio City hardly has any event business included in that 203 Crores. It should not be more than 3 to 4 Crores.

Amit Kumar: So, I mean what do I take from this, I mean is?

R. K. Aggarwal: Event business supplements Radio, but in no Radio company it has been adding to the bottomline. So in Radio City they did not have the wherewithal's of this business and therefore they were staying away . but with Jagran definitely they would expect that Jagran being in the business for now nearly a decade, Jagran will be able to help them and this is something, which we are figuring out. Even though we have to exit we would like to ensure that this ability remains with us.



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Amit Kumar: My second point was more from a strategic perspective since you have sort of decided to exit some of the businesses, the core business is still throwing a huge amount of cash flow if I look at this year's numbers almost close to about 400 Crores plus in terms of operating cash flow and taking our about 450 Crores of capex, so still just about 300 to 350-odd Crores in terms of cash flows. What does the management sort of plan to do with this? The dividend policy still continues to be there, but in terms of growth avenues, etc., what is there?

R. K. Aggarwal: Definitely, other print publications put together have not contributed anything to the cash flow, but if you notice they have reduced the losses from 29 Crores in the year 2014 to mere 4 Crores. So that is also giving this kind of a jump in the overall operating profit. In that kind of turnaround, Mid-Day has reported operating profit of about 13 to 14 Crores as against less than 5 crores last year.. I-Next which was in loss has turned into profit, Punjabi has reduced its losses very- very significantly and in case of one of magazine Josh also losses have come down, but that have come down because we have reduced the periodicity of the magazine. Earlier we were circulating it once in week. Now we circulate it once in fortnight. So that also saved about 2 to 3 Crores of loss in a year. So first I wanted to clarify this thing.

Number two, is what we will do with this kind of a cash, whatever cash you have as of now out of that you are going to invest nearly 600 to 700 Crores in next couple of months time. We have Rs.490 Crores of cash balance as at March 31, so out of that Rs.490 Crores, , substantial amount will go to the seller of the Radio City. In addition, Rs.200 Crores which they have to spend on the migration fees they have raised by making a bond issue. Then, Rs.60 to Rs.70 Crores additional bidding amount, which they will have to spend for new stations. So all told nearly Rs.650 to Rs.700 Crores we are going to invest in the next two to three months time. Besides that, I have a debenture installment falling due in December Capex, dividend plus debenture payment plus whatever we have to invest in for new stations will be met out of Radio City accruals plus our own accruals so this year we may not have much spare cash to worry about. .



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- Amit Kumar:** Sir, I was actually asking this question more from a slightly long-term perspective. Sir, your print business continues to throw out cash next year FM Radio is of course because of the acquisition cost and the renewals it is going to take a lot of print, cash will going to FM Radio, but FM Radio in itself after that because of 60 to 65 Crores EBITDA will continue to throw out cash. More actually two to three years sort of perspective what are the areas where you either, I do not organically you are already doing it in digital, but what are the areas where you will sort of look to invest.
- R. K. Aggarwal:** Our CEO will respond that. Fact of the matter is in fact this year we have so much to invest therefore we have not really applied our mind to what we will do with this kind of cash generation next year onwards, but Sanjay Ji will respond to that.
- Sanjay Gupta:** It is too early to comment on our expansion plan or strategy going forward as we have now Radio City on our platter.
- R. K. Aggarwal:** For that matter you never know you get some good digital property available for acquisition, we can utilize cash even for that which can supplement our core business or strengthen your existing presence in digital.
- Amit Kumar:** Thanks. That is all from my side.
- Moderator:** Thank you. Ladies and gentleman that was our last question, I know under below back to the management for closing commends. Over to you Sir!
- R. K. Aggarwal:** Thank you very much friends. We expect your continued cooperation and understanding of the company and with your blessing we will endeavor to do better and better than what we envisage. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, on behalf of ICICI Securities Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.