



TV18 Broadcast Ltd. Initiating Coverage

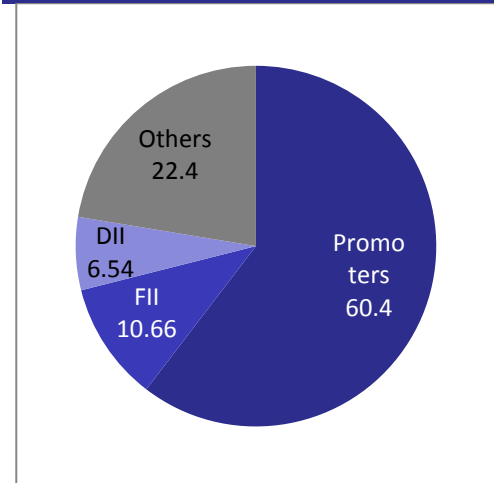
MARKET DATA

NSE TICKER	TV18BRDCST
Networth (₹Cr)	3,647
P/BV Ratio (FY17E) (x)	7.2
EPS (FY17E) (₹)	0.9
Market Price (₹)	40
P/E Ratio (FY17E) (x)	42.7
52 Week High (28/12/2015)	49
52 Week Low (07/09/2015)	29
Market Capitalisation (₹Cr)	6,857

AVERAGE MONTHLY VOLUME ('000)

BSE	381
NSE	3,354

SHARE HOLDING PATTERN



Return	3M	6M	12M
TV18	14.3	10.9	20.1
Sensex	12.3	2.1	-4.1

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TV18 Broadcast Ltd (TV18) operates popular News and Entertainment channels (Under JV with Viacom). It is one of India's largest television broadcast networks, having 36 Base channels, which is slated to grow to 48 channels by FY17.

Strong presence across Key genres

TV18 has a strong presence across Key genres encompassing 80% of the overall viewership with leadership positions in many categories. The company is also in the process of building a franchise in the Hindi Movies category with strong launches on the GEC network channels i.e. Colors & Rishtey, which would take their presence to 94% of overall viewership by genre.

Powerful Bouquet to Drive Bargaining Power

TV18's channels lead by viewership across multiple genres. This coupled with the recent announcement, that TV18 and its affiliates have bagged 12 of the 16 channel licenses awarded to broadcasters in 2016 would increase bargaining power, while dealing with pay-tv distributors by strengthening the bouquet of offerings.

Advertising revenues which largely follow viewership gains have increased, however subscription revenues have lagged industry peers. The lag in subscription revenue growth can be attributed to the younger age of the channel portfolio and the lack of bargaining power due to a smaller bouquet of must watch channels. We expect this gap to merge/narrow going forward with subscription revenues contributing ~40% of total revenues by 2019.

Industry Subscription Revenues to Grow Exponentially

According to industry sources, subscription revenues for the entire broadcasting industry is only 25% of the ARPU for Pay-Tv subscribers in India. As digitization gets fully implemented, broadcasters is expected to flex bargaining power and garner a ~45%-50% share of ARPU in line with global peers. This would go along with a steady increase in pay-tv ARPU's driving a ~3.0x increase in subscription revenues for the entire industry by 2020.

"Lollapalooza Effect" Underway

Growing Pay-Tv ARPU's, Higher share of Broadcasters in the ARPU pie, and increasing viewership dominance for TV18's Bouquet provide 3 distinct operating levers to drive subscription revenue growth. Also, the advertisement is expected to grow at a CAGR of 20% during FY16-19. We believe this exponential growth in revenues would result in a multi-fold increase in EBITDA given the high operating leverage inherent in the business.

Key Risks:

Merging TV18 Broadcast into Reliance Industries at a valuation lower than our target price/ the fair value for the business is a distinct possibility. Though there have been no announcements or management comments to this effect as of today, it is a potential threat which would cap the gains of TV18's minority shareholders.

However under the new companies act such a merger would require 76% of minority shareholder vote, which would be difficult given a number of large and influential minority shareholders.

FINANCIAL OUTLOOK & VALUATION

We value the company at 12.0x FY19 EBITDA, a 50% discount to Zee Entertainment's multiple citing execution risks. Discounting the same, we arrive at our target price of ₹80/- share by FY17.

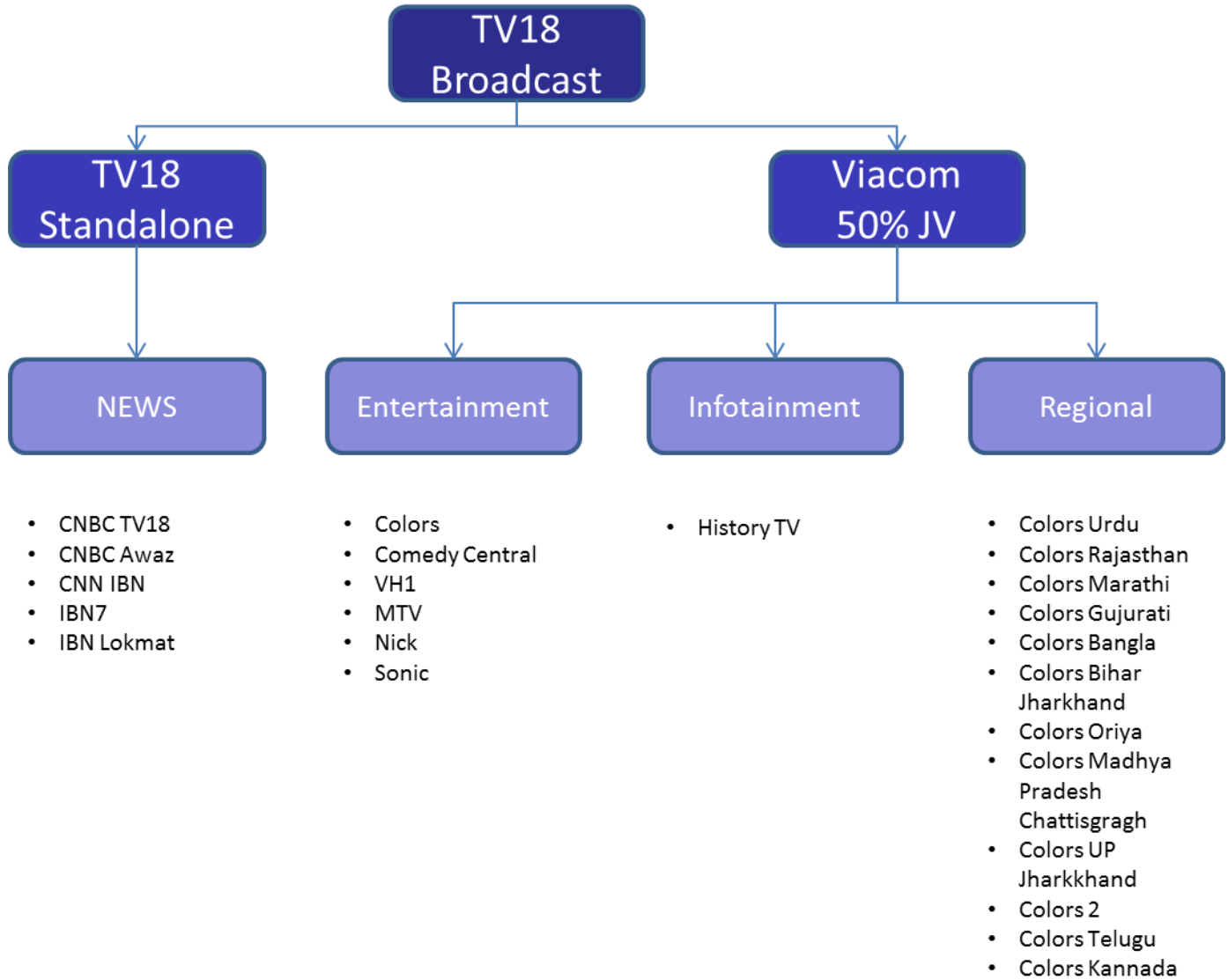
Financial Summary:

₹Cr	Net Sales	Growth(%)	EBITDA	EBITDA(%)	PAT	EPS	P/E	ROE	ROCE
FY16	2,569.0	10.8%	252.5	9.8%	164.2	1.0	40.7	4.6%	6.1%
FY17E	3,359.5	30.8%	340.8	10.1%	156.4	0.9	42.7	4.2%	6.8%
FY18E	4,350.8	29.5%	713.6	16.4%	430.0	2.5	15.8	10.7%	15.1%
FY19E	5,710.0	31.2%	1,435.3	25.1%	927.1	5.4	7.4	43.7%	59.0%



TV18 Broadcast

TV18 Broadcast Ltd (TV18) operates various News and Entertainment channels on its own, through its subsidiaries and Joint Ventures. It is India's one of the largest television broadcast networks, having 36 channels catering to specific regional and national audiences.



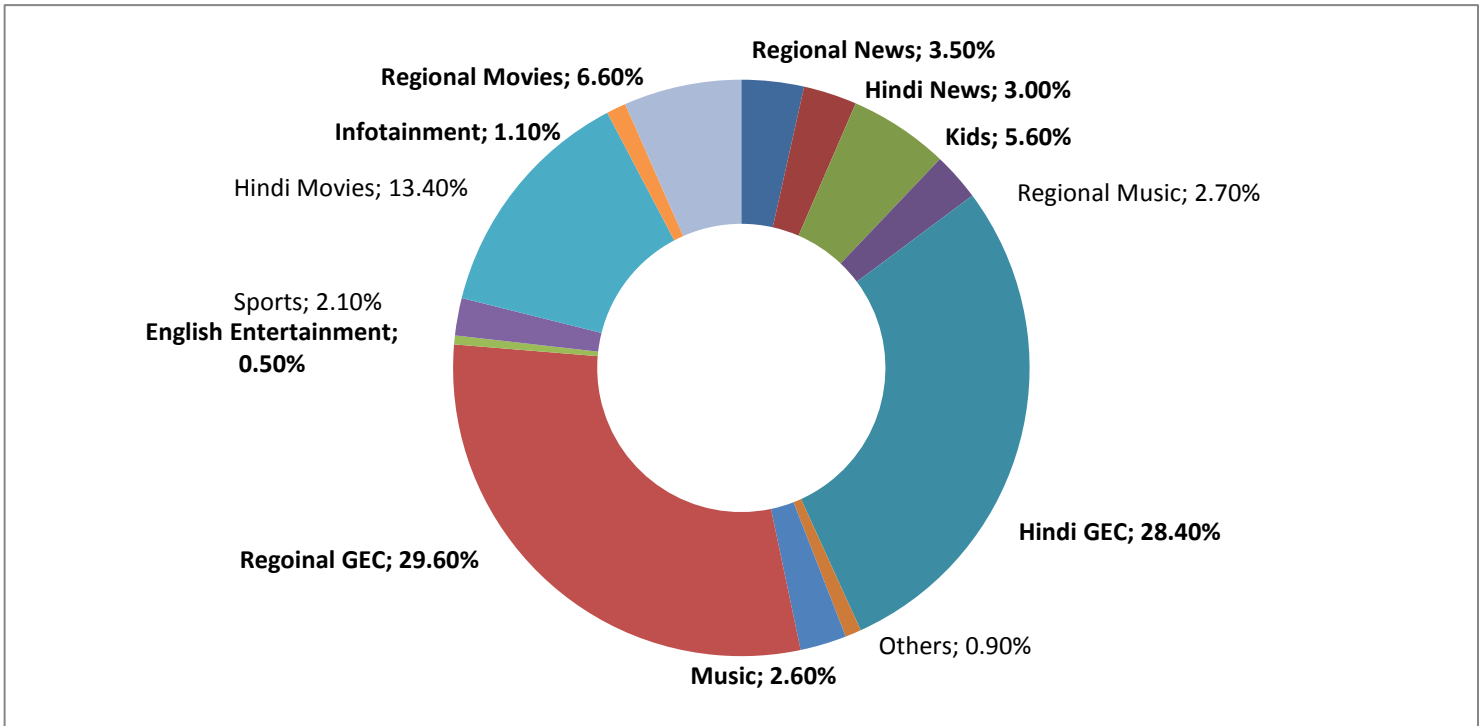
Joint Venture with Viacom – Viacom18

Viacom Company Background: Viacom is home to premier global media brands that create compelling television programs, motion pictures, short-form video, apps, games, consumer products, social media and other entertainment content for audiences in more than 165 countries and territories.

In August, 2015 Viacom Inc. acquired 50% of Prism TV (the ETV channels Bouquet, later rebranded as Colors) with the remaining 50% continuing to be held by Tv 18 Broadcast Viacom's partner in the Viacom18 joint venture. Viacom18 is the fastest growing entertainment network in India. The JV with Viacom 18 also provides huge comfort in terms of corporate governance & allows the Network to leverage their international expertise in building a broadcasting franchise.



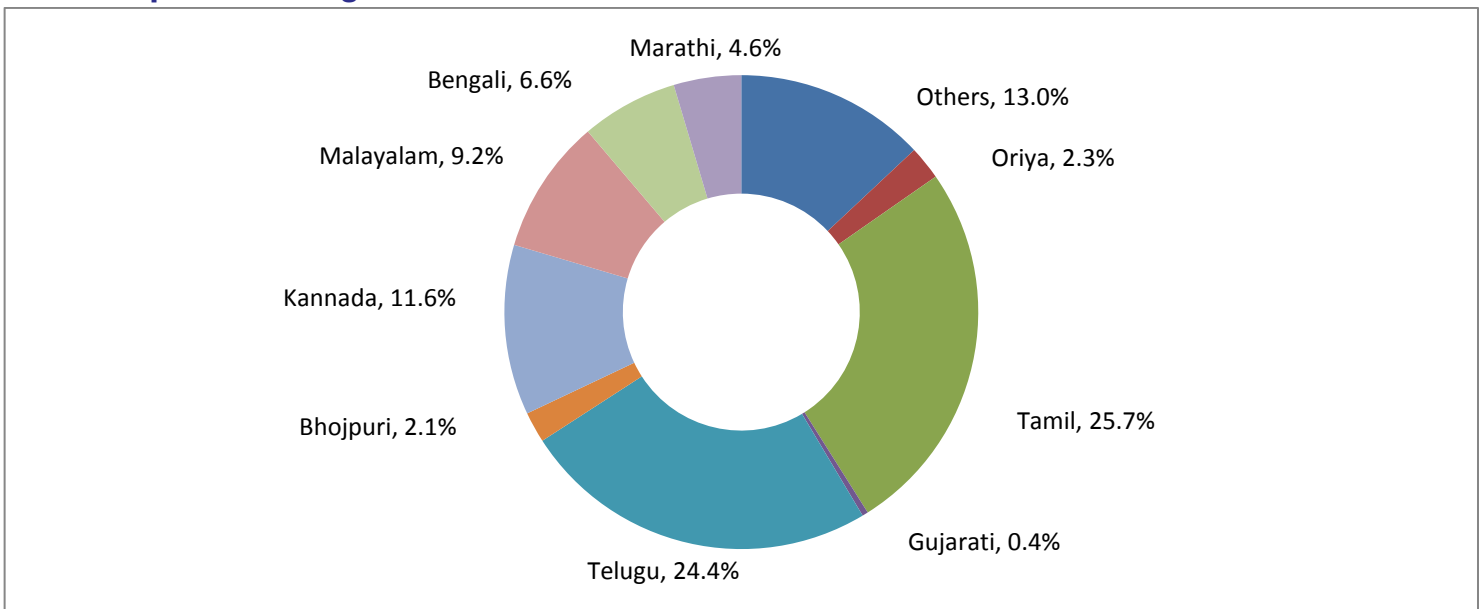
Viewership by Genre in 2015



Source: Ficci KPMG

The company has a strong presence across Key genres encompassing 80% of the overall viewership with leadership positions. The company is also in the process of building a franchise in the Hindi Movies category with strong launches on the GEC network channels i.e. Colors & Rishtey, which would take their presence to 94% of overall viewership by genre. As the company launches new channels (12 in FY17), we expect the network to garner significant bargaining clout while negotiating subscription revenues.

Viewership share of regional channels



Source: Ficci KPMG



TV18 has a large and successful bouquet with market leading viewership across key categories such as:

Rank	Hindi GEC Rural Channel Name	Weekly Impressions (000s) sum
1	STAR Utsav	369,244
2	Sony Pal	344,698
3	Zee Anmol	320,136
4	Zee TV	232,232
5	Rishtey	228,257
6	STAR Plus	219,739
7	Colors	216,100
8	Big Magic	157,418
9	Life Ok	154,986
10	SONY SAB	104,568

Rank	Hindi GEC Urban Channel Name	Weekly Impressions (000s) sum
1	STAR Plus	429,608
2	Colors	428,420
3	Zee TV	291,806
4	Life Ok	270,565
5	SONY SAB	240,562
6	Sony Entertainment Television	233,351
7	Sony Pal	121,712
8	&TV	109,531
9	STAR Utsav	108,359
10	Zee Anmol	91,176

Rank	Infotainment Channel Name	Weekly Impressions (000s) sum
1	Discovery Channel	4,355
2	History TV 18	4,201
3	National Geographic Channel	3,452
4	Animal Planet	3,055
5	Nat Geo Wild	2,748

Rank	English GEC Channel Name	Weekly Impressions (000s) sum
1	Zee Café	222
2	Comedy Central	190
3	Colors Infinity SD	150
4	AXN	148
5	STAR World	132

Rank	Channel Name Kannada	Weekly Impressions (000s) sum
1	Colors Kannada	245,365
2	Zee Kannada	195,313
3	Udaya Movies	192,853
4	Suvarna	166,561
5	Udaya TV	153,066

Rank	Channel Name Marathi	Weekly Impressions (000s) sum
1	Zee Marathi	130,701
2	Colors Marathi	96,557
3	Zee Talkies	61,445
4	Maiboli	46,936
5	9X Jhakaas	33,129

Rank	Channel Name Orissa	Weekly Impressions (000s) sum
1	Sarthak TV	75,3407
2	Tarang TV	48,804
3	Odisha TV	11,603
4	Colors Oriya	11,281
5	Prameya News 7	5,988

Rank	Channel Name Gujarat	Weekly Impressions (000s) sum
1	Colors Gujarati	8,876
2	TV9 Gujarati	5,947
3	ETV News Gujarati	1,977
4	Sandesh News	1,549
5	ABP Asmita	1,500

Rank	Channel Name Telugu	Weekly Impressions (000s) sum
1	Zee Telugu	440,823
2	ETV Telugu	394,906
3	Maa TV	387,818
4	Gemini TV	319,191
5	Gemini Movies	204,827

Rank	Youth Channel Name	Weekly Impressions (000s) sum
1	Bindass	9,688
2	MTV	9,214
3	Zing	8,032
4	Zoom	6,633
5	Channel V	3,814



Rank	Channel Name English Business News	Weekly Impressions (000s) sum
1	ET Now	115
2	CNBC TV 18	109
3	NDTV Profit and NDTV Prime	31
4	Bloomberg TV	10

Rank	Kids Channel Name	Weekly Impressions (000s) sum
1	NICK	1003,44
2	Hungama	74,885
3	Pogo TV	70,556
4	Disney Channel	65,325
5	Cartoon Network	49,589

Rank	Channel Name English General News	Weekly Impressions (000s) sum
1	Times Now	436
2	India Today Television	175
3	CNN News18	152
4	NDTV 24x7	152
5	News 9	86

Rank	Channel Name Hindi Business News	Weekly Impressions (000s) sum
1	CNBC Awaaz	671
2	Zee Business	460

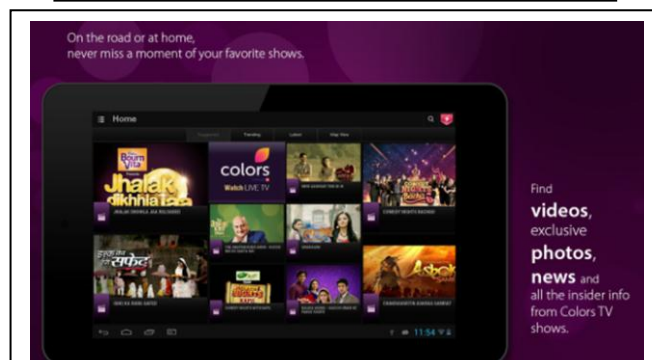
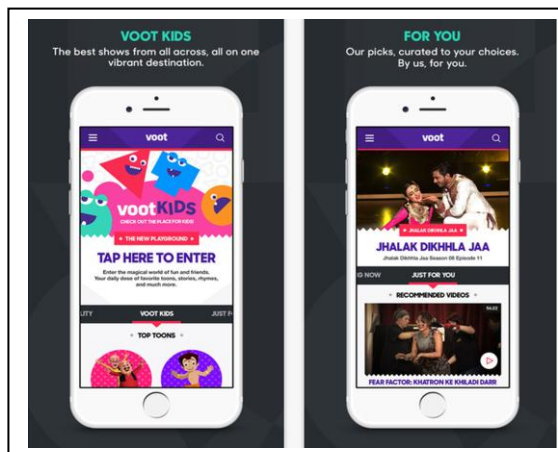
Source: BARC for week 21: Saturday, 21st May 2016 to Friday, 27th May 2016

The network’s channels lead by viewership across a multitude of categories. Advertising income catches up with viewership with a relatively small lag period however subscription revenues take longer to build for a network. We expect subscription revenues to follow viewership as the network ages and strengthens its content offerings via new channels.

Launch of VOOT an online platform to deliver on demand entertainment:-

Viacom 18 launched “VOOT” and “Colors”, mobile and online platforms to deliver on demand content to its viewers. The platform is on the lines of Hotstar launched by the Star Network. We expect VOOT to gain huge traction going forward, especially with the impending launch of Reliances behemoth telecom offering “JIO”.

In a short span of time both the applications have garnered over a million application downloads on the Android platform. In time this would create new avenues for the network to monetize its content. However as the platform is still in a nascent stage we have not built any revenue assumptions from the same into our model.





The company bagged 12 of 16 licenses for new channels awarded in 2016

Sr. No.	Channel Name	Name of the Company	Category	Uplinking/Dow nlinkin/ Uplinking Only	Language	Date of Permission
1	ETV HD	EENADU TELEVISION PVT. LTD.	NEWS	UPLINKING	TELUGU	6/4/2016
2	SIX 2	MULTI SCREEN MEDIA PRIVATE LIMITED	NON-NEWS	DOWNLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	6/4/2016
3	DHAMMAL GUJJUU	SAB GLOBAL ENTERTAINMENT MEDIA PVT. LTD.	NON-NEWS	UPLINKING	GUJARATI	25/04/2016
4	NEWS18 GOA	TV 18 BROADCAST LTD.	NEWS	UPLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	8/4/2016
5	NEWS18 TAMIL NADU	TV 18 BROADCAST LTD.	NEWS	UPLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	8/4/2016
6	NEWS18 KERALA	TV 18 BROADCAST LTD.	NEWS	UPLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	8/4/2016
7	NEWS18 ASSAM/ NORTH EAST	TV 18 BROADCAST LTD.	NEWS	UPLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	8/4/2016
8	NEWS18 PUNJAB	TV 18 BROADCAST LTD.	NEWS	UPLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	8/4/2016
9	NEWS18 J&K	TV 18 BROADCAST LTD.	NEWS	UPLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	8/4/2016
10	POWER PLAY	VIACOM 18 MEDIA PRIVATE LIMITED	NON-NEWS	UPLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	6/4/2016
11	UPLEX	VIACOM 18 MEDIA PRIVATE LIMITED	NON-NEWS	UPLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	6/4/2016
12	NATIONCAST	VIACOM 18 MEDIA PRIVATE LIMITED	NON-NEWS	UPLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	6/4/2016
13	NXT	VIACOM 18 MEDIA PRIVATE LIMITED	NON-NEWS	UPLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	6/4/2016
14	ZAP	VIACOM 18 MEDIA PRIVATE LIMITED	NON-NEWS	UPLINKING	ENGLISH/HINDI AND ALL OTHER REGIONAL LANGUAGES	6/4/2016
15	& MUSIC	ZEE ENTERTAINMENT ENTERPRISES LIMITED	NON-NEWS	UPLINKING	HINDI/ENGLISH	5/4/2016
16	& YOUTH HD	ZEE ENTERTAINMENT ENTERPRISES LIMITED	NON-NEWS	UPLINKING	HINDI	6/4/2016

The addition of these channels would help strengthen the portfolio by widening the range of content offerings and increase overall bargaining power with distributors going ahead.

Media House	Tv 18 Broadcast	Sun Tv	Star Network	Sony MSM	Zee Entertainment
Number of Channels*	35	33	48	12	33
New Launches	12	0	0	2	2
Total by FY17E	47	33	48	14	35

*Does not include HD channels



Key Assumptions:

Rs Crore	FY16	FY17E	FY18E	FY19E	Remarks
Subscription Revenue*	665	1,131	1,697	2,545	Subscription to grow exponentially going forward from ₹4.5 per household/month to ₹~20 per household/month by 2019 on par with what Star India receives today
% Growth	88%	70%	50%	50%	
Advertising Revenue	1,774	2,128	2,554	3,065	Assumed at 20% given the large number of new channels adding inventory. Ad revenue from existing channels should grow at ~15%
% Growth	25%	20%	20%	20%	
Motion Pic & Indiacast	129	100	100	100	No clarity on future revenues, revenues expected to remain flat with no EBITDA contribution (Entire expenses set off)
Total Revenue	2,568	3,360	4,315	5,710	TV18 has acquired licenses for 11 new channels mainly in the NEWS segment and others in Entertainment segment. We expect the company to incur incremental expenses in FY17E which should taper off going forward.
Marketing & Distribution	505	682	853	955	
% Growth	12%	35%	25%	12%	
Production Expenditure	776	1,087	1,304	1,565	
% Growth	3%	40%	20%	20%	

Subscription revenues for FY15 & FY16 have been back-calculated assuming growth in advertising income to be in line with industry growth

Shift in Revenue Mix to increasingly shift toward industry standards:

	TV18 Broadcast FY16	TV18 Broadcast FY19E	SUN TV FY15	Zee Entertainment FY16
% Revenues from Subscription	25.9%	44.6%	39.1%	35.2%
% Revenues from Advertising	69.1%	53.7%	50.6%	58.6%
% Revenues from Others	5.0%	1.8%	10.3%	6.2%

Subscription revenues for FY15 & FY16 have been back-calculated assuming growth in advertising income to be in line with industry growth

TV18 broadcast currently garners ~25% of it's revenues from subscription, which we estimate should increase to ~45% of total revenues by FY19. This shift would be both because of an increase in industry subscription revenues and TV18 gaining bargaining power with a stronger and time tested bouquet of offerings.

Subscription revenues to grow in a nonlinear fashion going ahead:-

Advertising revenues come in immediately with viewership increases; however subscription revenues lag due to a slower increase in bargaining influence.

Despite advertising revenues tracking Zee entertainment closely, subscription revenues lag by a huge margin.

₹ crs.	TV18					ZEE				
	FY12	FY13	FY14	FY15*	FY16*	FY12	FY13	FY14	FY15	FY16
Domestic Subscription	-101	16	200	354	665	912	1,147	1,327	1,416	1,630
International Subscription	NA	NA	NA	NA	NA	395	444	486	391	428
Advertisements	973	1,048	1,163	1,419	1,774	1,581	1,961	2,388	2,637	3,430
Others	247	533	606	546	129	122	111	221	440	364
Total Revenue	1,119	1,597	1,969	2,318	2,568	3,041	3,700	4,422	4,884	5,852

*TV18 has discontinued providing the Revenue break-up post FY14, FY15 & FY16 numbers are assumed as a balancing figure assuming advertng growth on par with ZEE Entertainment Ltd.



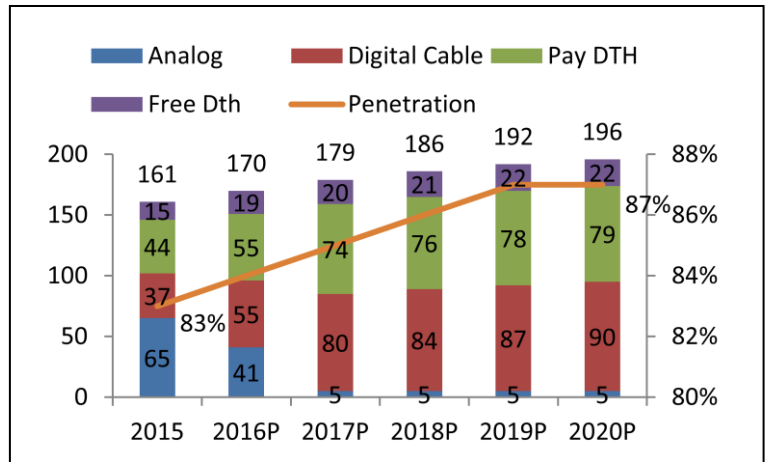
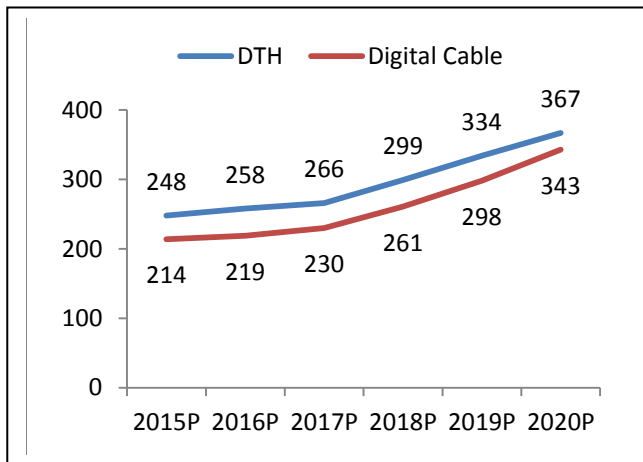
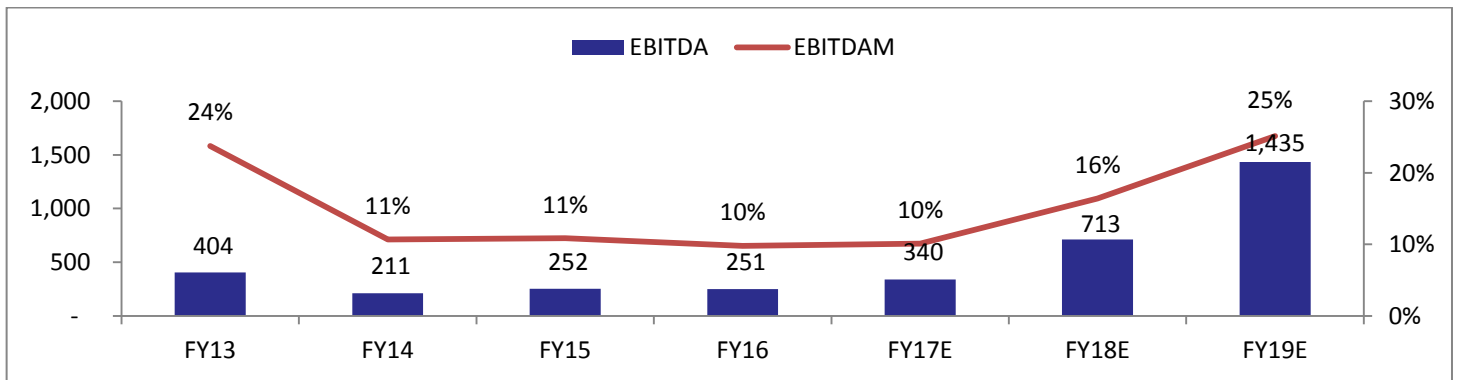
Sector Tailwinds:-

Advertising Revenues TV broadcasters generate revenues mainly from advertisements and subscription, both of which are showing very strong tailwinds. With growing consumerism, economic revival and arrival of e-commerce, the demand for TV advertisement is growing at 12-15%, with leading broadcasters such as Zee entertainment & TV 18 growing faster. Going forward we expect TV18 to deliver industry leading advertising growth of ~20% backed by the strong addition in ad inventory with new channel launches.

Subscription Revenues Leading broadcaster Zee entertainment had subscription revenues of ₹1630 Cr for FY16, this works out to ₹9/Month Per cable TV household. For the entire broadcasting industry, this number stands at ~₹45/Month. (Industry Sources) This however works out to ~30% of the ARPU (pre tax) for Pay-Tv channels in India. As digitization gets fully implemented, we expect the broadcasters to flex their bargaining power and garner a ~50% share of ARPU in line with global peers. Costs however would remain largely fixed and linear in nature leading to exponential earnings growth with margin expansion. International Vs domestic (Share of ARPU going to Broadcasters/content programming costs)

	Sky plc (£mn)	Dish Network (\$mn)	Direct TV (\$mn) *	Dish TV (₹crs)	Videocon DTH (₹crs)*
Subscription Revenue	9,697	14,954	33,260	2,544	1,820
Content Cost	4,886	8,783	17,680	801	732
Content Cost as a % of Subscription Revenue	50.4%	58.7%	53.2%	31.5%	40.1%

* represents FY14 numbers as it was acquired by AT&T in FY15.



Source: Ficci KPMG

This increase in broadcasters share of the ARPU pie coupled with an increase in overall ARPU should lead to a ~4.0x increase in broadcaster's subscription revenues which should flow down to EBITDA.



Status of Digitisation – December 2015

Phase	Regulatory date for shutdown	No. of C&S subs* (million)	Non-digitised subs (million)	Digitisation including DTH *
Phase I	Jun-12	13	1.2	100% excl Chennai
Phase II	Mar-13	25	1.2	>95%
Phase III	Dec-15	41	10	~75%
Phase IV	Dec-16	81	52	~75%
Total		160	65	~60%

Source: Ficci KPMG

Phase III of digitization is close to completion while, phase 4 might get delayed by a year and is expected to be completed by December 2017 although the ministry of broadcasting has mentioned no deadline extension as of today.

Reliance Jio Launch of Reliance Jio may increase viewership for TV18: Reliance Jio is expected to launch its 4G services shortly. Being a group company, Reliance Jio users may get free access of entire content of TV18 basket. This may not be directly remunerative in the form of revenues but will surely translate in to higher viewership and therefore higher advertisement revenues.

Top Shareholders (31st March 2016)

Holding more than 1% (Public) - Name	% Shareholding
Government Pension Fund Global	2.57
Network18 Group Senior Professional Welfare Trust	1.68
Radhakrishna Damani*	2.56
India Opportunities Growth Fund Ltd-pinewood strategy	1.39
Jhunjhunwala Rekha Rakesh	1.30

*Via investment companies (Bright Star Investments Pvt Ltd & Derive Trading Private Limited)



Valuation & Outlook

Given lack of complete disclosures, we would value the company at 13.0x FY19 EBITDA (a 50% discount to Zee entertainments LTM multiple) by FY18. This would value the company at ₹111/Share by FY18. Discounting the same by 20% as a return threshold and applying a further 10% holding company discount given the prized content assets are housed in a JV, we arrive at our target price of ₹80/share by FY17.

Financial Outlook

₹Cr	FY14	FY15	FY16	FY17E	FY18E	FY19E
Net Sales	1,968.1	2,318.4	2,569.0	3,359.5	4,350.8	5,710.0
Growth (%)	15.8%	17.8%	10.8%	30.8%	29.5%	31.2%
EBITDA	210.73	252.52	252.51	340.77	713.60	1,435.27
EBITDA (%)	10.7%	10.9%	9.8%	10.1%	16.4%	25.1%
ROE	2.5%	-1.1%	4.6%	4.2%	10.7%	43.7%

Revenue growth would be driven by a ~20% growth in advertising revenues and an exponential growth in subscription revenues. Costs however would remain largely fixed and linear in nature leading to exponential earnings growth with margin expansion.

Key Downside Risks to our target price:

- A slower than expected ramp-up in subscription revenues, this would however be growth delayed but not denied.
- A shift away from Pay TV subscription:- Seems unlikely as of today given media consumption trends in developed countries, however this risk could be a major detriment to the company's growth trajectory.
- Merging TV18 Broadcast into Reliance Industries at a valuation lower than our target price/ the fair value for the business is a distinct possibility. Though there have been no announcements or management comments to this effect as of today, it is a possibility which might not allow the minority shareholders of TV18 broadcast to fully benefit from the future profitability of the broadcasting business.

Key Upside risks to our target price:

- A low exit multiple of 13.0x EV/EBITDA stands at a sharp 50% discount to Zee Entertainment's multiple. The Reliance group has a decent corporate image which could result in TV 18 Broadcast getting significantly higher multiples given the sticky nature of revenues in the Broadcasting industry.

Peer Comparison:

Description	Sun TV Network			TV18 Broadcast			Zee Entertainment		
	FY14	FY15	FY16	FY14	FY15	FY16	FY14	FY15	FY16
Subscription Revenue	876	769	NA	200	354	665	1,327	1,416	1,630
Advertisements	1,289	1,194	NA	1,163	1,419	1,774	2,388	2,637	3,430
Others	230	260	NA	606	546	129	221	440	364
Net Sales	2,224	2,395	2,570	1,969	2,318	2,568	4,422	4,884	5,852
Profit After Tax	745	783	1,396	86	-39	164	890	976	1,027
EBIDTM (%)	67.8	70.0	69.0	10.7	10.9	9.8	27.2	25.7	25.8
ROE (%)	25.3	24.3	NA	2.6	-1.1	4.6	26.8	31.2	25.4
EV/EBITDA(x)	9.6	9.4	NA	34.8	29.1	29.2	19.9	23.0	26.7
Market Cap (19052016)	16,849			7,012			41,856		



Key Financials

Profit & Loss

(₹cr)	FY14	FY15	FY16	FY17E	FY18E	FY19E
Net sales	1,968	2,318	2,569	3,360	4,351	5,710
YoY (%)		17.8%	10.8%	30.8%	29.5%	31.2%
Total expenses						
Raw Material Cost	597	450	505	682	853	955
Employee costs	285	399	484	581	668	768
Other Manufacturing Cost	875	1,217	1,327	1,756	2,117	2,552
EBITDA	211	253	253	341	714	1,435
YoY (%)		19.8%	0.0%	34.9%	109.4%	101.1%
EBIDTA (%)	10.7%	10.9%	9.8%	10.1%	16.4%	25.1%
Depreciation	56	40	51	44	46	48
EBIT	155	213	202	297	668	1,388
Interest	61	48	47	67	71	28
Other income	32	51	44	8	55	45
PBT	127	216	199	237	652	1,405
Less: Taxation	14	21	34	81	222	478
Effective tax rate (%)	11.2%	9.7%	17.3%	34.0%	34.0%	34.0%
Recurring PAT	85	-38	164	156	430	927
YoY (%)		-144.8%	-530.2%	-4.7%	174.9%	115.6%
PAT (%)	4.3%	-1.6%	6.4%	4.7%	9.9%	16.2%

Key Ratios

	FY14	FY15	FY16	FY17E	FY18E	FY19E
Reported EPS (Rs)	0.5	(0.2)	1.0	0.9	2.5	5.4
Book value (Rs)	5.0	5.0	5.3	5.6	6.2	7.5
Payable Days	97	79	97	97	97	97
Debt Equity Ratio	0.1	0.1	0.1	0.2	0.1	0.0
Debtor Days	90	85	87	87	87	87
Inventory Days	62	64	72	70	70	70
ROCE (%)	4.9%	6.7%	6.1%	6.8%	15.1%	59.0%
Recurring ROE (%)	2.5%	-1.1%	4.6%	4.2%	10.7%	43.7%
ROA (%)	1.8%	-0.8%	3.3%	2.8%	6.8%	28.4%
Valuation Ratios						
PE (x)	2.8	7.3	40.7	42.7	15.8	7.4
Cash P/E (x)	80.4	(179.3)	41.8	43.8	15.9	7.4
Price/book value (x)	8.0	8.0	7.5	7.2	6.5	5.3
Market cap/sales (x)	3.5	3.0	2.7	2.0	1.6	1.2
EV/sales (x)	3.7	3.2	2.9	2.3	1.7	1.2
EV/EBITDA (x)	34.8	29.1	29.2	22.9	10.5	4.8
Earnings growth						
EBITDA (%)	88%	20%	0%	35%	109%	101%
EPS (%)	-145%	-36%	194%	-5%	170%	114%
PAT (%)	-302%	-145%	-530%	-5%	175%	116%



Balance Sheet

(₹cr)	FY14	FY15	FY16	FY17E	FY18E	FY19E
Equity capital	342	343	343	343	343	343
Reserves	3,068	3,105	3,305	3,465	3,899	4,831
Net worth	3,410	3,448	3,647	3808	4242	5174
Total borrowings	425	473	523	939	612	0
Minority Interest	91	23	16	0	0	0
Non Current Liabilities	-4	-8	-6	-6	-6	-6
Current Liabilities	769	783	913	1298	1681	2206
Total liabilities	4,690	4,719	5,093	6,038	6,528	7,373
Net block	2,153	1,989	2,064	2,140	2,214	2,286
Investments	500	514	519	519	519	519
Others	378	437	401	514	608	721
Current assets						
Inventories	332	407	508	644	834	1095
Debtors	486	538	610	798	1033	1356
Cash	288	168	148	1102	904	851
Other Current assets	182	220	139	322	416	545
Total assets	4,319	4,273	4,388	6,038	6,528	7,373

Cash Flow

(₹cr)	FY14	FY15	FY16	FY17E	FY18E	FY19E
Net profit	85	-38	164	156	430	927
Depn and w/o	56	40	51	44	46	48
Others	1,962	-10	78	-46	-23	-85
Change in working cap	15	-149	57	-142	-137	-187
Op. Cash flow	2,118	-158	350	12	317	703
Capex (Net)	-1,595	119	-118	-120	-120	-120
Investments	-492	-3	-0	4	4	4
Inv. Cash flow	-2,087	116	-118	-116	-116	-116
Dividend	0	0	0	0	0	0
Fresh Equity	-0	-3	-0	0	0	0
Minority interest	0	0	0	0	0	0
Debt	-60	11	21	416	-327	-612
Others	-61	-48	-47	-67	-71	-28
Fin. Cash flow	-121	-40	-26	349	-398	-640
Net change in cash	(89.9)	(81.4)	206.1	245	-198	-53
Opening cash	269.4	288.4	167.7	148	1,102	904
Closing cash	288.4	134.7	385.6	377.1	903.9	850.7



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