



DB Corp Ltd

DB Corp Limited Q3 and Nine Months FY16 Earnings

Conference Call Transcript January 22, 2016

Moderator Ladies and gentlemen, good day and welcome to the DB Corp Limited Q3 and nine months FY16 earnings conference call. I now hand the conference over to Ms. Malini Roy of CDR India. Thank you and over to ma'am.

Malini Roy Good afternoon everyone, welcome to the Q3 and FY16 conference call of DB Corp Limited. We will be sharing the key operating and financial Highlights for the quarter ended 31st December 2015. We have with us today the senior management team of DB Corp Limited Mr. Pawan Agarwal – Deputy Managing Director, Mr. Girish Agarwaal – Non-Executive Director, Mr. P. G. Mishra – Group CFO, Mr. Rakesh Goswami – CGM (Finance &Accounts) and Mr. P. K. Pandey – Head Investor and Media Relations will represent DB Corp on the call.

Before we begin I would like to state that some of the statements made in today's discussion maybe forward-looking in nature and may involve risks and uncertainties. Documents relating to the Company's financial performance have been mailed to you. I invite Mr. Agarwal to please share his outlook on DB Corp's performance for this quarter.

Pawan Agarwal Thank you Malini and good afternoon everyone. Wish you a very happy New Year as well. We would like to share some key highlights of our financial and operating performance for the quarter ended December 2015 post which we will be happy to respond to your queries.

Our consolidated Total Revenues for Q3 FY16 stands at Rs. 5,896 million registering a growth of around 6%. We have registered a circulation revenue growth of 18% Y-O-Y to Rs. 1,141 million primarily due to yield driven growth largely from mature markets. Our Advertising Revenues came in at Rs. 4,356 million. Our EBITDA stands at Rs. 1,906 million with strong EBITDA margin of 32.3%. Our mature markets EBITDA margin is at a strong 37% now. Net Profit for the quarter stood at Rs. 1,068 million after factoring a FOREX loss of Rs. 2.62 million and Bihar launch related preoperative expenses of Rs. 3.3 million.

We have maintained our leadership in legacy markets of Madhya Pradesh, Chhattisgarh, Chandigarh, Punjab, Haryana, (CPH), Urban Rajasthan and Urban Gujarat. In Q3 as well as over the last two years we have been reporting over 16% growth in circulation revenues which is a validation of our yield strategy. During the



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quarter under review, circulation revenue from matured markets other than Jharkhand, Bihar and Maharashtra grew by 16% Y-o-Y and net realizations grew by 15% Y-o-Y post implementation of yield growth strategy.

Our efforts towards ensuring that we offer our readers very compelling products that attracts and engages them have been well acknowledged. Dainik Bhaskar has been ranked as the World's 4th Largest Circulated Newspaper by World Association of Newspapers and News Publishers after The Yomiuri Shimbun (Japan), The Asahi Shimbun (Japan), USA Today (USA) and is the only Indian News Daily amongst the Top 5 Global rankings.

DBCL's non-print business continues to make steady strides through events, brand activation campaigns and new technology adaptations for better user experience. With growing page news and unique visitor, dainikbhaskar.com is still dominating the Hindi digital space while Divya Bhaskar leads the Gujarati genre. DB mobile app continues to gain traction. We have introduced new features and revamped our mobile size as well.

DBCL's Radio business advertising revenue grew by 26% at Rs. 323 million as against Rs. 257 million in the same period last year. EBITDA stands at Rs. 144 million with EBITDA margin of 44%. We are actively on course to commence the operations in the new markets over the next six months.

On an overall basis the success of our yield strategy has begun delivering encouraging results as we also tried to gain back volume growth across our legacy and emerging markets. We are also employing all means to improve our efficiencies, aggressively keep up our growth momentum and lead no stone unturned to generate shareholder value.

Newspapers in India and around the world are successfully proving their value and resilience despite overall tough market conditions. Dainik Bhaskar has also evolved from only its print business diversifying into true multi-platform news media businesses. Our global position is a validation to this and to our business strategies and fundamentals.

My colleagues and I will now be happy to respond to questions. We look forward to continuing our interactions and please do contact our Investor Relations Department headed by Mr. Prasoon Pandey for all further requests and queries.

Moderator

The first question is from the line of Yogesh Kirve of B&K Securities.

Yogesh Kirve

My first question is regarding when the ad growth—which was flat during the quarter. So if you can just comment about what has been the decline in your volumes during the quarter?

Girish Agarwaal

If you see over a period of nine months we have a strong double-digit volume decline. We also have an early double-digit rate growth. Net net we have around 6% of our overall ad revenue decline in the nine months' time and if you see this quarter-on-quarter in the Q1, Q2 and Q3, in Q1 and Q2 we had a 7% decline and now in this quarter we are flat. So that indicates that we are moving towards the right path.



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- Yogesh Kirve** In the third quarter specifically have we been able to bring down the volume loss to single digit?
- Girish Agarwal** The volume loss in the third quarter is in single digits, you are right. In fact, the biggest loss of volume happened in the first quarter and also in the first month of the second quarter. From there onwards the volume decline has been improving.
- Yogesh Kirve** Secondly, our Radio revenues have seen a strong growth so what were the drivers behind that?
- Pawan Agarwal** The festive season as well as some government spends and also the corporate revenues have increased and the yield agenda there has also helped us to get revenues.
- Yogesh Kirve** Finally on the circulation revenue also there has been a very strong growth of about 17-18% so I understand the Bihar expansion would have also a role to play. But beyond that what has been the extent of the increase in the prices or realization?
- Girish Agarwal** If you look at my, per copy realization is now at Rs. 2.41 which in the last quarter was Rs. 2.29, so if you see from Rs. 2.29 we have moved on to Rs. 2.41. And this increase is also because of some new circulation has come in of our new launch of Bihar and other markets compared to last year.
- Yogesh Kirve** Finally on the realizations what should be the target growth going forward considering that we already seen fair bit of increasing the realizations? I am referring to the circulation realization?
- Girish Agarwal** I think it all depends on the market to market situation, for example, if you see from the Q1 to Q2 there was hardly any growth, it was Rs. 2.28 in the Q1 and Q2 it became Rs. 2.29, there was hardly any growth. But in the Q3 we were able to take a jump. So I think now also in some markets we have improved the cover price so this growth next quarter could be assumed that at double-digit only.
- Moderator** The next question from the line of Alankar Garude of Macquarie..
- Alankar Garude** My first question is can we now safely say that the weakness in ad growth is behind us? And would it be fair to assume a high single digit growth at least in FY17?
- Girish Agarwal** Yes, I think it goes without saying because if you look at the overall agenda which we were driving on the rate growth we are very thankful to all our clients and agencies, most of them agreed to our request and understood our logic and we got the growth of the rates coming from there. And we were also able to weed out some low yielding clients also and the low yielding positions also. So in that way things now look much better actually and this year, when I say this year means this calendar year starting January, our focus is now back on the volume on the improved rate what we already got from the clients.
- Alankar Garude** My second question is how has competition reacted to the ad rate hikes in the last 9-10 months?



- Girish Agarwaal** None of our competitors have revised their rates, so they are largely on the same rate what they were operating at and they were taking some advantage of my refusal from the business going to them, so they took that temporary advantage.
- Alankar Garude** Now that you are saying that you have been largely successful in implementing the hike, is there a possibility that they also will be increasing rates and the rates for the overall market itself will go up?
- Girish Agarwaal** See frankly speaking the rates of the overall market going up looks difficult for a simple reason is because in the overall current situation in the economy the advertiser is not willing to pay much more for the same market, so what is going to happen as we explained you last time that if he has given a higher rate to me he is going to either cut down the size of the competitor or the rate of the competitor going forward.
- Moderator** The next question is from the line of Sonali Salgaonkar of Yes Securities.
- Sonali Salgaonkar** My first question is what are the key categories in your print as well as radio advertisement for this quarter?
- Girish Agarwaal** See, the key categories largely stay as the same, Automobile being on the top followed by the Lifestyle and Hyper, Real Estate, Healthcare, Electronics, FMCG, so they largely stayed there. There have been no major change. In fact Real Estate took a beating by a couple of percentages down Y-O-Y comparison while other categories largely remained the same.
- Sonali Salgaonkar** How is the e-commerce category performing especially in the festive season?
- Girish Agarwaal** The e-commerce category is showing an almost 2 -3 times growth but the overall size is not really big for us.
- Sonali Salgaonkar** If you could give us how are your key markets performing, like MPCG Punjab, Haryana, how have they performed over the past quarter and how do you expect the performance going ahead?
- Girish Agarwaal** Barring out one market that is of Punjab most of the other markets have performed as per the expectations. One market Punjab I don't know what's happening there overall the market is not growing. Our market share remains largely the same but the overall absolute volume for the market is not able to really live up to its expectations.
- Moderator** The next question is from the line of Jay Doshi of Kotak Securities.
- Jay Doshi** In your assessment what is the difference in underlying print advertising environment between your markets in the Hindi speaking belt and the markets where you are not present essentially Uttar Pradesh, so what is your assessment of the gap in growth of markets?
- Girish Agarwaal** If you classify the markets into 3 buckets, one is the HSM, which is called Hindi Speaking Market and most part of even Gujarat from a television perspective is considered in that only, all markets are behaving largely the same except for Punjab which I just mentioned. And then the other market is the Eastern market and southern market So South India market I don't have much of knowledge about



it but if you look at these all Hindi markets largely including Gujarat, except for Punjab they all have behaved almost there. In some pockets there have been very good growth, in some pockets no. For example, Real Estate a market like Jaipur and Indore has not performed well but a market like Raipur has performed pretty good in Real Estate. So in one or two categories someone is higher, someone is lower but overall speaking all these markets are largely there except for Punjab.

Jay Doshi So you tend to believe that Uttar Pradesh market and let's say Madhya Pradesh market or Rajasthan market they are all growing at a similar rate at a market level?

Girish Agarwal At a market level, yes, but maybe in one or two categories, for example, in one categories I am told UP going slightly faster because the power availability in that market has improved so hence the electronic items sale has improved in that market.

Jay Doshi How about government?

Girish Agarwal There are two governments, one is the national government and one of the local government. National government is largely the same for all the markets but the local government again depends on the market. For example, UP local government is spending much more because the election is in the next one and a half years' time, so that market is doing lot of advertising over there. While if you look at Rajasthan or Madhya Pradesh they are not advertising anymore because the elections are some more time ahead for them.

Moderator The next question from the line of Rohit Dokania of IDFC Securities.

Rohit Dokania Two questions from my side, one was, if you can explain is there an element of one-off in either Other Expense or Employee Expense because the rate of increase that they have shown in this quarter is far higher than the first half of the year.

Girish Agarwal Yes there are 2-3 smaller one-off in that. One is that in the promotional scheme we did a reader promotional scheme called Jeeto 10 crore thing, and then also in the Bihar expansion that another cost is one-off over there and digital expansion also.

Rohit Dokania So this one-off promotional scheme how much was the spend from our side on that?

Girish Agarwal Around 4-5 crore specifically on that.

Rohit Dokania And is there anything similarly on the employee side or that's just normal?

Girish Agarwal Employee side if you see Y-o-Y of last year then the Bihar expansion comes into that and even there is a bonus implementation as per the new policy so that provision has been taken for that and an 8% normal increment.

Rohit Dokania To understand the ad growth slightly better, if I am not wrong the Navratri volumes would have shifted in Q316 versus probably a favorable base in the last year.

Girish Agarwal Part of it, yes.



- Rohit Dokania** So still it has been flattish on a year-on-year basis, so in terms of Q4 is it starting to look up or how would that particular quarter be? Will it be similar like in 9 months or we could see some bit of a growth out there?
- Girish Agarwaal** Let me be very specific if we talk about the last 21 days of this January month there has been a good growth, again strong single digit growth but going forward how the month of February March is going to happen, see as I told you that our rate yield agenda is largely done, we are thankful to our advertisers and agencies for that. Now we are driving the volume agenda back, so wherever we have lost the volumes we are driving it back. But certain categories especially like Real Estate and Education though we are driving the volumes and the overall market also is awaiting to see some kind of benefit coming from the ground, so if that benefit happens with the government schemes and all that and I am sure the spending in that particular segment will increase to get us the volume back. Just to let you know if I compare my nine months, two categories, Real Estate and Education if I simply see the last year base at this year base we have an absolute number loss of roughly nine months around Rs. 40 crore just because overall market has gone down, so we have already gained market share back but since the overall market, for example, in one particular city we were analyzing that in the Q3 there was some nine launches by different builders in the project while this year there was only one, so that is the issue that we are still struggling with that how the market responds to various spending.
- Rohit Dokania** Lastly on the newsprint side could there be any negative implication because of the Rupee-Dollar rate?
- Girish Agarwaal** I can only say that till now we have been able to save almost 6% on the newsprint in this quarter and overall in 9 months around 8% in terms of prices. Going forward we feel they should stay largely there. Some benefit may come but with the Rupee-Dollar going up and down they should be largely neutralized. And frankly speaking I don't want this newsprint prices to further go down because if it further goes down it becomes unviable for those mills also operating in this business and then they started shifting from the newsprint to some other paper, so we need to ensure that our suppliers also stay healthy so that they are able to supply it to us on a longer basis.
- Moderator** The next question is from the line of Nitin Mohta of Macquarie.
- Nitin Mohta** I had two questions, firstly, after this exercise that we have done in the past to try and raise the yield what's the sense that we have in terms of how much gap has narrowed between us and say the English newspapers? And my second question was on consolidation in the market, my understanding is most of your greenfield expansion is done, so from a 3 to 5 year view excluding digital just on the core print business do we see consolidation as a major growth driver for the company?
- Girish Agarwaal** The first question of yours about me versus English, we don't have lot of printed data available of the English newspapers so I really can't compare it but whatever information we get from the market that gap in the absolute number of rate is suddenly narrowing down, that's one very positive thing happening about the Indian language newspaper that the advertiser is willing to spend a higher amount at a higher sum with the Indian language newspaper from last 5-7 years that's been happening.



Coming to the second point of yours that going forward if there are opportunities available in the market for consolidation, we are more than happy to look at those opportunities but unfortunately there aren't many opportunities available in the market at a right price.

- Nitin Mohta** If I can ask a clarification about the first part, I understand there is no printed data, none of these English news are listed but if I can get a sense in terms of the benefit that we have seen because of this exercise because we have taken a 12 month of pain so if the difference earlier was say 200 and 100 was where you were, how has that changed if you can give some qualitative comment from that perspective that if earlier English was at 200 and you were at 100, after this exercise how has that gap narrowed?
- Girish Agarwal** It will be unfair on my part to give you any half-baked data, so I think I will wait for the KPMG FICCI Report to come out in a couple of months and based on that we can do some analysis.
- Moderator** The next question is from the line of Amit Kumar of Investec.
- Amit Kumar** On FM Radio, the new licenses that you have won when should we start seeing some of those radio stations coming on board? And any sort of clarity that you have on, seemingly Phase-3 is itself split in to a couple of phases, as we have seen one auction happen when should we expect the other set of auctions to come through?
- Pawan Agarwal** The current set of stations 5 to 6 months to roll out, that's an estimated timeline given by the Ministry to set up the civil and to bring the equipment to those stations so that's really not in our hands but we have been given about 5 to 6 months timeline from now. And for the next set of stations we are yet to hear any official notification from the Ministry. They have called for a meeting today actually for discussion; we don't know the outcome yet. It's a long list right now so let's see, because even this one is at least 6 months from now to operationalize.
- Amit Kumar** So by equipment you mean the common infrastructure, the towers which the government is supposed to put up?
- Pawan Agarwal** That's correct, at a lot of places lot of civil work has to be done and at all of the places they have to get new combiners to add the remaining one or two frequencies.
- Amit Kumar** That takes 5-6 months, the moment that infrastructure is ready will you be ready at your end to immediately launch?
- Pawan Agarwal** We would be ready in 30 days' notice actually because all we have to do is create an office, studio and hire the team which we have already started to identify and we have already started to do some preparatory work on that.
- Amit Kumar** A more long-term question on this, we don't have any sort of clarity on when GST comes through but how does GST sort of impact the taxation on your business because right now you are exempt from service tax, do you expect that exemption to continue, will you face the normal rate of GST like TV media for example, right now they are paying the 14% service tax on their realizations, is it going to be somewhere in between, how do you expect that GST to impact the business?



- PG Mishra** Presently, we are not in position to give any color on GST, as the things are unclear.
- Amit Kumar** I am sure you will be talking to the government in some sense so any sort of representation that you have made? Incidentally we are in a scenario where the Finance Minister also handles the MIB portfolio so what if any discussion that you have had with him and what is the sense that you are getting?
- Girish Agarwaal** No newspaper has given any individual representation to the Ministry. It is the Indian Newspaper Society who has collected the various inputs from the members and had given it to representation to the Ministry so we really don't know out of the various representations made by the members to the INS and INS to the Minister which one will get picked up.
- Amit Kumar** One book-keeping question at my end, the total daily circulation in the previous quarter how does it look on a Y-O-Y basis and what is the contribution of the new Bihar launches that you have done in 2Q, what is the contribution of that in this particular quarter?
- Girish Agarwaal** In the Q3 last year we were at 50.69 and the Q3 this year we are at 52.52, so there's roughly around 2 lakh copies growth and large portion of this has come from the new launches of Bihar and some copies have come from Rajasthan largely and bit of it from Madhya Pradesh also.
- Amit Kumar** What will be your total circulation in Bihar including the previously launched Patna edition?
- Girish Agarwaal** I will not be able to give you the exact copies for Bihar and Jharkhand but as I told you we have been able to increase this number, say 2 lakh copies a large portion of it is going to Bihar only.
- Moderator** The next question from the line of Sai Kiran of Argonaut.
- Sai Kiran** Last quarter you mentioned that last year versus this year there is number of days of Navratra falling into Q2 and Q3, I think you mentioned last time Q3 should be sort of better in terms of volumes of Navratra. In spite of that I think the year-on-year growth was very muted. Am I missing something here, adjusted event for whatever the elections which is happening in Haryana?
- Girish Agarwaal** No, you are not missing out anything. Only thing is that there is a slight number of election last year which was the election of Haryana and Jharkhand number were there. Anyway having said that will that make substantial difference? No. So I think the overall number as we mentioned to you we are at flat revenue growth year-on-year. Even if I do look at other way this way it would just change by a couple of percentage here and there. So overall we have seen that our yearly agenda, the way we wanted to drive has given us the desired result in terms of volumes and all and the rate. Now it's all on to us and to our advertiser to ensure that going forward we get the revenues back in terms of volume.
- Sai Kiran** One follow-up question, whether the higher yield acceptance was different between your core markets in terms of the ratios or is it more or less similar?



Girish Agarwaal Obviously in a much stronger market of mine like Rajasthan, Madhya Pradesh and Haryana the acceptance is much higher while in a competitive market like Gujarat or Punjab or Bihar and Jharkhand or Maharashtra there is a slightly struggle on that and lesser acceptance.

Moderator The next question is from the line of Dheeresh Pathak of Goldman Sachs.

Dheeresh Pathak The radio growth was very strong. Now this is organic growth or there was some adjustment needed to be made when looking at this.

Pawan Agarwal This is organic growth and there has been a major yield improvement in radio and also we have expanded the Festival plus we also opened a night band to advertisers this time. Earlier the night band was not being bought, the band of 10 'pm till 6 in the morning, we have opened that inventory to our corporate advertisers and as a result we have been able to expand some volumes.

Dheeresh Pathak Open meaning?

Pawan Agarwal Advertisers were not buying that slot at all, they were confined to advertising during the day hours and the morning and the evening. We added that inventory.

Girish Agarwaal As a part of our offering to the client we opened that inventory area also.

Dheeresh Pathak Would have sounded really logical to have it open in the first place, right?

Pawan Agarwal But they weren't buying it earlier. So when we put the yield pressure it helped us to remove some inventory from our peak hours and offered that peak inventory to some of our new clients,

Girish Agarwaal See, in radio as you appreciate there is a constant of the total timing so if I have got particular minutes and an hour to sell, if I sell all the inventory at whatever yield in that hour and since we have to provide yield balancing to my particular client, so we were able to open up the clients to use that inventory in the night shift also and help us take some inventory out of our prime time where I can go and sell it to other clients.

Dheeresh Pathak What would have been the like-to-like yield increase that you would have taken let's say this year in nine months?

Pawan Agarwal Our rate growth has been in the range of 8-10% in radio.

Dheeresh Pathak And this you would say would be first year after a series of years where radio industry as a whole did not take any price increase?

Pawan Agarwal We have been taking price increase in radio because this is a limited inventory business so we have always been driving price increase.

Girish Agarwaal In fact the entire radio industry is doing so.

Dheeresh Pathak Because we were told that for many years up till this year the industry as a whole did not take price increase much and it focused on volumes?



- Pawan Agarwal** There is no way you can increase revenues in radio unless you increase price because everybody is choked on inventory now. People have taken lesser hikes to mid hike to higher hike, everybody has taken a hike. It may be lower but everybody has taken a hike in price.
- Moderator** The next question from the line of Jay Doshi of Kotak Securities.
- Jay Doshi** You mentioned that in past DB Corp's price increase was followed by similar price increase by peers and this time around peers have not raised the prices. Why do you think it is different this time and does it worry you that if this behavior continues it will limit your ability to increase price in future. Because when we look at other mediums, broadcasting sector we have seen that there was a coordinated effort to take up prices by all broadcasters and we are not seeing a similar trend here, so your thoughts on this?
- Girish Agarwaal** In a print industry it has never been a coordinated effort to increase the price. It always happens that the leader of the market goes and takes the price hike and then after that the number 2, the number 3 follows it. That's a very peculiar trend in this industry. So this time we are going to drive the yield agenda in spite the market was soft which I will do that, and we kept on doing it, so our competitors for a change this time thought rather than following it, take the temporary advantage of the volume coming off us and getting into them, so they did that. Now that we are done with our large pricing and we are now driving the volume again so I hope going forward they will have no option but to increase the price because their volume may not be the same what they got the benefit during the last few months.
- Moderator** The next question is from the line of Ankit Kedia of Centrum Broking.
- Ankit Kedia** I wanted to understand how is the local and national split? And are we seeing some volume uptick coming in from local advertisers or are we facing some pressures on that front as well now?
- Girish Agarwaal** You see the local and national ratio, we stand at almost 57:43 which means 57 is local and 43 is national. Compared to last year there has been almost the same, there is nothing major change over there but if you see 9 months' average then national was lesser than this number. The national market is bouncing back which is a very positive thing. Local is slightly soft only for the two reasons which I mentioned to you about the Real Estate and Education category because they are the big categories for local and those two categories are soft because of the market.
- Ankit Kedia** Have we taken some rate hikes in local market as well as deep as the national markets because we don't need to deal with agencies and big advertisers, so how is that response coming in?
- Girish Agarwaal** We have taken the same yield in most of the markets and in fact as you rightly mentioned there are no bigger clients and bigger agencies so it was easier for us to explain those guy's logic behind the rate increase and they were kind enough to agree to us. But unfortunately if I am a builder I have no project getting launched this year so I agree to give you higher rate but at only that one single ad which I release because there was no project like last year I did some six ads, so that is the whole problem of the market right now.



- Ankit Kedia** My second question is on the digital revenues, we have seen the growth taper slightly in the quarter from high 70-80% we have been enjoying for multiple quarters now, so is this the right run rate to take or there was some one-off in the quarter on the digital revenues?
- Pawan Agarwal** There were couple of advertisers especially the e-commerce that had a major spend last year, so they have not spent money in this quarter with us but we are working to see how we will make them spend again and also raise money from other advertisers. So it's not a one-off, it was a category which was very digital friendly, it was displayed digital friendly last year which it wasn't this year. And suddenly from visibility they moved to performance for every single banner. So I think it's in the process of coming back.
- Moderator** The next question from the line of Shalabh Agarwal of Snowball Capital.
- Shalabh Agarwal** After we have got the yield increase what would be the gap between the second player in our core markets like MP or Chhattisgarh? How much ahead would we be close to 1.5x their advertising rates or where would be?
- Girish Agarwal** See again, for example, in MP and Chhattisgarh the difference between me and my competitor in MP the difference would be, if I am 100 they would be at 30.
- Shalabh Agarwal** That's a big difference. So that has always been like that or it has probably increased after this recent yield increase that you have taken?
- Girish Agarwal** It has increased slightly the recent yield taken by the competitor has changed, for example, 15 years back we used to have a competition called Navbharat and Nai Duniya, then somebody else came in, Nai Duniya again bought over a new avatar, so it keeps changing but the overall numbers largely are on the same lines.
- Shalabh Agarwal** This yield if you look at it and try to compare it with other Hindi speaking space then how would we compare to the advertiser on a cost per 1000 basis with respect to readers in other Hindi belt?
- Girish Agarwal** I don't compare myself with Hindi belt or why should I for a simple reason I compare with the market. For example, Madhya Pradesh is, MPCG put together, would be around 7-8% contributing market to sales for a larger client country wise. And Andhra Pradesh from that perspective also is contributing around 8-9%. When advertiser is willing to pay a much higher number in Andhra Pradesh market then why not in Madhya Pradesh or Rajasthan for that matter or Punjab, Chandigarh, Haryana is one cluster, contribute, it's a P1 market, it contributes almost 9% to automobile company or an electronic company or a mobile company in sales but they are willing to pay much lower rates compared to that. So our comparison is not with any Hindi market or a peer, we are saying when you are looking at one different market you are a marketer, so you look at investments in a particular market and a return from that market. So why is your investment changing from market to market compared to the returns.
- Shalabh Agarwal** I also wanted to check broadly what will be the share of MP and Chhattisgarh to our overall revenues broadly?



- Girish Agarwaal** Good thing is that if you see the structure way, our company now in terms of revenue, none of the single market contributes more than 30% of our overall top-line or bottom-line.
- Shalabh Agarwal** Lastly, you also commented that there has been a slowdown especially across real estate in some of the local markets, so again is it across markets, across states you are seeing or is it more specific to certain states?
- Girish Agarwaal** I think Real Estate and Education are two categories we are seeing slowdown across.
- Shalabh Agarwal** Sir, any update on Bihar in terms of how the competition has reacted where we are and what else needs to be done to increase our penetration further in Bihar?
- Girish Agarwaal** We are happy to announce that in Bihar in whichever market we are operating whether it is Patna or Muzaffarpur or Bhagalpur or Gaya, we have been able to gain a very strong circulation number in those markets and advertising acceptance from local and national also has been encouraging but frankly speaking are we there already? No. We still have maybe two years more to be there.
- Shalabh Agarwal** What would be the share of the government revenues in Bihar for us because I believe Bihar is a lot more government revenue dependent?
- Girish Agarwaal** See currently it is very less because it takes one year's time for you to get registered with the government empaneled and all that, so Patna is empaneled already, my other editions have been launched just now a couple of months back, six months back, so they will get registered in the next six months' time. So currently my government revenue is not very big in numbers.
- Shalabh Agarwal** How many printing units we have in Bihar currently?
- Girish Agarwaal** We have three printing centers in Bihar and four editions.
- Moderator** Thank you. Ladies and gentlemen that was the last question. I now hand the floor back to the management for closing comments.
- Pawan Agarwal** Thank you for your participation and time on this earnings call. I hope that we have responded to your query very greatly today and we will be happy to be of all assistance through our Investor Relations Department headed by Mr. Prasoon Pandey for further queries. Thank you very much.

