Hindustan Media Ventures Limited's

Q4 FY2015 Earnings Conference Call

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Moderator: Ladies and gentlemen, good day and welcome to Hindustan Media Ventures Ltd. Q4 and FY 15 Result Conference Call hosted by Motilal Oswal 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 this conference call, please signal an operator by pressing "*" then "0" on your touchtone telephone. Please note that this conference is being recorded. I now hand over the conference to Mr. Shobhit Khare from Motilal Oswal Securities. Thank you and over to, sir.

Shobhit Khare: Good afternoon everyone. On behalf of Motilal Oswal Securities, I welcome you all to this conference call to discuss the 4th Quarter and Full Year FY 15 Results of Hindustan Media Ventures Limited. We have with us the senior management team of HMVL represented by, Mr. Vivek Khanna – CEO, HMVL; Mr. Ajay Jain – CFO, HMVL and Mr. Vinay Mittal – the Chief Financial Strategist at HT Media. I now request Mr. Vivek Khanna to give his initial remarks after which we will start the question and answer session. Thank you and over to you, sir.

Vivek Khanna: Thanks Shobhit and good afternoon ladies and gentlemen. We are absolutely delighted to report that we have closed the year on a very strong note. We have reported healthy double-digit top-line and earnings growth both for the quarter as well as for the full financial year. The initiatives that we took helped improve pricing and yields; as well as the improved traction that we saw in advertising revenue across our markets has resulted in an advertisement growth of above 10% for the quarter and close to 13% for the full year.

In addition to this, our circulation revenue has increased by 12% for the quarter and 13% for the full year on account of both increased copies as well as higher revenue per copy. This has resulted in an EBITDA growth of 36% for the quarter and 23% for full year. Our raw material cost declined by 2% in the quarter primarily on account of softening of newsprint prices globally. On a full year basis, our raw material costs have increased by about 12% primarily on account of an increase in circulation and increase in newsprint prices on a full year basis.

EBITDA margins are at 25.5% versus 23.9% last year and our operating EBITDA margin is also close to 20.5%, which is similar to last year. PAT is up by 43% for the quarter and 27% on a full year basis. We had the latest round of IRS which has further strengthened our position in the marketplace as well as vindicated the stand that we had on the earlier IRS results. In fact, this round of IRS was done after much greater scrutiny and after incorporating a lot of changes that had been suggested by most players. We continue to deliver good performance in our strong markets of Bihar & Jharkhand and accelerated performance in the growth market of UP & Uttarakhand. We are confident that we will continue to deliver strong performance in the quarters ahead and deliver value to our shareholders. Thank you so much and open to the question-and-answers now.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Chauhan Bhowtik from Span Capital. Please go ahead.

Chauhan Bhowtik: What is the total circulation and the average cover price for this quarter and for the full year?

Vivek Khanna: Our copies are about 27 lakhs, average realization per copy is about Rs.2.20.

Chauhan Bhowtik: What is the net cash position at the end of the quarter?

Ajay Jain: Net cash position is Rs. 543 crores.

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

Srinivas Seshadri : Can you elaborate on the strong advertising growth you have seen and also if you can talk about the different markets such as UP, Bihar, Jharkhand and NCR? Also, can you talk a little bit about the local versus national advertising growth trends. How did they pan out during the quarter?

Vivek Khanna: Regarding the growth across various geographies, Bihar and Jharkhand had been in single-digit while UP and Uttarakhand have been in double-digits. Delhi also had good growth which is close to average in this quarter. Regarding the various categories, we saw growth in FMCG, Education and to a certain extent in categories like IT and Telecom. However, the Government revenue in this quarter declined. In the same quarter last year, we had pre-election advertising from the Government, which was quite aggressive in January and February. Therefore, compared to that, the Government advertising was lower, though on a regular basis it was still doing well. The categories like FMCG, Education and Classifieds did well. Auto and Real Estate declined in the quarter.

Srinivas Seshadri: Could you throw some light on the national spends, given that they monitor the IRS numbers more closely than the local retail. How national advertising growth has been on an overall basis?

Vivek Khanna: The split between national and local is approx. 50-50. We saw growth across national as well as local unlike in the earlier quarter where local grew faster than national.

Srinivas Seshadri: The employee costs are looking up on a q-o-q basis as well as on a y-o-y basis. Is there some kind of year end provisioning or are you hiring people for certain initiatives?

Vivek Khanna: It is a combination of the regular cost increase and some hirings done for the initiatives that we are taking up going forward. Also, in quarter one, we had indicated that there is a structural change on account of the Government legislation which continues to impact. This is the last quarter that we have seen the impact because now it has gone into our base.

Srinivas Seshadri: Could you talk about the digital strategy? What are your plans to take it forward over the next 2-3 years and to do a pro-active migration of digital viewership onto your content properties?

Vivek Khanna: We have lagged behind some of our competitors as far as our digital initiatives are concerned. Now, we have to do three things. One, we have to do certain fundamental corrections in the website, which are purely hygiene and which have been largely completed. Secondly, we are working on launching a couple of initiatives and one or two of them should get launched towards the end of this quarter. And, of course we are looking at the entire gamut and spectrum which is open to us in the language space. So, there are three parts to the whole thing- part one, which was basic hygiene has been completed. This year we will be focusing aggressively on the Phase II and we will be launching a few initiatives soon.

Moderator: Thank you. Next question is from the line of Kedar Wagle from Maybank Asset Management. Please go ahead.

Kedar R. Wagle: Can you give any guidance on ad revenue growth for the current fiscal year? Should we expect the growth rates to slow down given the higher base specifically in UP and Uttarakhand? And secondly, could you share an update on the acquisitions you are looking at?

Vivek Khanna: As far as our growth rates for the year are concerned, we expect that the traction in advertising revenue will continue due to two to three factors. First is the IRS numbers. We use the IRS numbers which are a reflection of the copy increase that we have been doing over the last three to four years. If you look six years back versus now, our readership per copy is exactly the same, so we used to have problems with the earlier numbers because they were not reflecting the growth that we were doing in UP and Uttarakhand. But now that reflection has come through. So,we took that to the advertisers and we got yield increases in the year. In fact, if you look at the 13% growth that we have had in advertising revenue, majority of it is on account of yield increases. This year, we have again gone back to advertisers and started getting some yield increases. In some cases, we are saying no to advertising if the yield increase is not happening. So, the work happens all over again because you never get 30%-40% increase in yields from advertisers till you get it in the IRS tables every year. That is something that we will do to ensure that we get our revenue growth in the current year. The second factor, which is more external, is the economic policies of the government. We are confident that it should also help drive growth in the entire economy as well as benefit us. As far as acquisition is concerned, this is the time when there are a lot of publications which are not doing as well as probably they would like to do. Therefore, every month there is something or the other which we know is available and there is a lot of work going on in evaluating the multiple options that we have. So, what transforms going forward is a bit premature to talk about but there are a couple of evaluations that we are doing.

Kedar R Wagle: On the circulation revenue, increasing cover prices was a big factor driving growth in the last fiscal. Do you expect a similar kind of increase in cover prices this year? Given newsprint prices are coming down, should one expect our pricing to continue or will those slow down?

Vivek Khanna: There are markets where we have scope to increase our cover prices and we will continue to increase prices in those markets. There are some markets where it will not be possible.

Moderator: Thank you. Next question is from the line of Aashish from Elara Capital. Please go ahead.

Aashish Upganlawar: Your numbers seem to be good on the advertising growth. Is it the same for the market? Or is it different for you because of the readership increase? I am asking this because the current situation for most of the publishing houses is not that great as far as the advertising revenue growth is concerned?

Vivek Khanna: We will be seeing numbers across various players so we will all know whether we are better than the others or not. But as far as the market in this quarter is concerned, we outperformed the market and we believe that when the numbers come out, it will show that we have outperformed the market. The better performance is a function of the IRS numbers, better initiatives and ideas that our teams work on and the better on-ground execution.

Aashish Upganlawar: Anything to share between states Bihar, Jharkhand, UP and Uttarakhand? How things are shaping up? Is it different or is it similar across states ?

Vivek Khanna: It is similar across from a market point of view. But from our growth point of view, UP and Uttarakhand grow faster than our traditionally strong markets of Bihar and Jharkhand.

Aashish Upganlawar: Do you have any outlook and do you see the markets improving or would it be the same because nothing has changed on the ground as such?

Vivek Khanna: In this current quarter, we are seeing an improvement in the advertising position from commercial advertising prospective. However, last year there was a lot of election revenue in this current quarter which is obviously not there. But from a commercial, i.e. display advertising prospective, there is better traction.

Aashish Upganlawar: You said that last year it was yields that resulted in growth and probably it remains the same going forward as well, as you monetize your readership. Can you give us some numbers as to how much you expect to grow yields and volumes ?

Vivek Khanna: One of the factors right now is that there is greater commercial volume. I had said that the election is not there but without election there is greater commercial volume. As far as yields are concerned, we are increasing yields and our growth next year will again be largely led by yields though there may be some volume increase if the economy looks up and there are signs of recovery.

Aashish Upganlawar: Would you like to put some numbers on what kind of target increase in yields or volumes would you be targeting next year?

Vivek Khanna: The way we work is that we target yield increase client-by-client and the aggregate is a function of the mix of volume that we get from our thousands of clients. So, it is a bit difficult. Of course, we have an overall estimate for yield and volumes but I would not like to give that out as it is a critical number.

Aashish Upganlawar: What is the decline you have seen on the newsprint price? And what is your outlook on the newsprint prices going ahead?

Vivek Khanna: We see overall newsprint price are trading at around Rs. 34,000 at the end of this last quarter. The prices have declined from the peak of about Rs. 37,000 in the last three to four quarters. Going forward, we think that the market will be in this range itself. The imported newsprint prices continue to be soft but it also depends on the dollar movement. Overall, our outlook is that newsprint prices will remain in the Rs. 33-34000 range.

Aashish Upganlawar: What increase do you see in the overall PO for the next year based on the circulation and pagination increase?

Vivek Khanna: The PO increase that we saw in the current year was quite significant and it will not be anywhere close to that. But there are certain small pockets that we are filling up and so we will have a couple of percentage points of PO increase on a full year basis.

Moderator: Thank you. Next question is from the line of Shobhit Khare from Motilal Oswal Securities. Please go ahead.

Shobhit Khare: I wanted to understand the ad growth versus our competitor who also has reported results today and there are a lot of diversions in the growth numbers. As you said that most of this is coming from yield improvement, so should we assume that most of this rate improvement which we are seeing is specific to HMVL?

Vivek Khanna: It is our endeavor to increase yields. We have done it this year and we will continue to do that in the next year. I am sure every competitor of ours would like to increase the yields as well. It is something that everyone tries to do. Advertisers will go where they see value. And, if we are delivering value to our advertisers, I am sure we will be able to get higher yields. Similarly, there are markets where some of our competitors are very strong where they will deliver value so I am not sure whether it will be only peculiar to us. But, certainly, on the basis of the Q4 results, we have grown both volume and yields in this quarter and we have done a lot of initiatives which have helped us.

Shobhit Khare: Could you provide the capex number for FY15 and any guidance for the next year?

Ajay Jain: In FY15, we had a capex of about Rs. 35 crores. For the next year, it will depend on what projects we will do. The maintenance capex could be about Rs. 20-30 crores and if there is some inorganic kind of capital spending, the capex will be different.

Vivek Khanna: The normal maintenance capex will be about 25-30 crores.

Shobhit Khare: Could you elaborate on how the margins are progressing, especially for our UP business? What improvement can we see in terms of the overall numbers and margins?

Vivek Khanna: Are you looking at EBITDA margins?

Shobhit Khare: Yes.

Vivek Khanna: This was the first year that UP turned profitable and this year we have grown EBITDA significantly in UP-Uttarakhand put together. Our margins for UP and Uttarakhand put together are close to double-digits now.

Moderator: Thank you. Next question is from the line of Rala Ram Singh from Analyse Wise. Please go ahead.

Rala Ram Singh: You said that our margins in UP and Uttarakhand are in double-digits. Assuming that the optimum margins in our business are around 25%-30%, is there a particular timeline in which you think we will be able to achieve that optimum margins? What is the timeline for that? Assuming that the steady state margins are 25% to 30%, how much time will it take for the UP to get there?

Vivek Khanna: About three years.

Rala Ram Singh: In terms of advertisement realizations/yields, where do we stand in terms of our competitors like Amar Ujala and Jagran Prakashan in Uttar Pradesh?

Vivek Khanna: Two years back, we were at about 35%-40% of Dainik Jagran. Today, if you go from client-to-client basis, we would be between 40%-65% of Dainik Jagran. The idea is that we should come close to 70%-75% of Dainik Jagran as soon as possible across the board. But it differs from client-to-client. So, on average it can probably be about 50%.

Rala Ram Singh: Do we plan to enter new regions or do we see coming of the new editions in new regions? Do we plan to go for organic expansion?

Vivek Khanna: We have done a study for couple of states and have prepared business cases. We have had a couple of opportunities coming our way for acquisitions and those seem to be relatively low cost option for entering in some states. So, at this moment, we are focusing more on working on those acquisitions. Once we are able to tell you whether those acquisitions happened or not, we can tell you about our timelines for entry into a new state.

Rala Ram Singh: Can you throw some light on the criteria that we are looking at in terms of the valuation or the size of an acquisition?

Vivek Khanna: The key criteria are brand, the position that it has in the concerned state market and the kind of synergies that we see with our business as well as the opportunity for us post acquisition and the benefits flowing to our stakeholders and shareholders post acquisition. These are the broad categories that we are looking at.

Vinay Mittal: No. of acquisitions that do take place in the print media is very small. At this point, there is nothing that is iminent but we are actively looking for that.

Rala Ram Singh: Please elaborate on our tax rate which is actually around 25% in FY15. Is the tax rate low because of our investment in FMPs and debt funds, the yield on which is not taxable?

Vinay Mittal: Yes, that is true.

Rala Ram Singh: Because of our new regulation I think if we hold these investments for three years, only then that criteria is applicable, i.e. when they are not taxed. So do we plan to hold the investments for three years?

Vivek Khanna: Almost 80% of our portfolio is in long-term investments and only some part of it is in current investments. Most of the investments are done in such a way that they are tax friendly.

Ajay Jain: We have spread them over three years. You will have some maturing over one year, two year, three year etc. but majority of that will be a three years investment. If you recall when the new rules came in, a lot of mutual funds rolled the one year investments into three years.

Rala Ram Singh: Yes, but assuming that we are actually actively looking for acquisitions we would rather need this money. I just want to know whether that would hamper our ability to pay up for acquisitions coming before three years.

Vivek Khanna: Not at all. You do not say that I cannot acquire this because our money is in mutual fund.

Moderator: Thank you. Next question is from the line of Urvil Bhatt from IIFL. Please go ahead.

Urvil Bhatt: Regarding the ad revenue growth, what is the breakdown in terms of yield and volume and even for fourth quarter?

Vivek Khanna: For the year, our yield growth is about 9.5% the rest is volume. For the fourth quarter, it was more even mix of 50-50 because there was greater volume traction.

Urvil Bhatt: You made a comment on the capex question that there maybe one or two big projects. Can you give us some idea with respect to those two big projects?

Vivek Khanna: I have been saying it in the two conference calls that we have evaluated the key Hindi markets for expansion. One is Rajasthan, another is MP & Chhattisgarh and third is the Punjab, Haryana & Chandigarh belt. We evaluated all three. We have done business cases and we are clear in terms of criteria such as what is the kind of capex and opex required, strategy etc. So, that work has been done. In case we kick-off any one of them, and it is not going to happen immediately because our focus right now is to look at acquisitions. But in case we kick it off, then there will be some capex but it is not happening right away.

Moderator: Thank you. Next question is from the line of Rajat Sethia who is an Individual Investor. Please go ahead.

Rajat Sethia: I was going through your balance sheet. We have around 550 crores of cash but our debt levels have also increased. Is there anything specific for that debt to increase?

Ajay Jain: We take buyer's credit for financing our imports and they are available at lower rates. It is financing the working capital through cheaper interest instruments. That is the reason the debt is going up. These are all short-term debt.

Rajat Sethia: Could you give us the growth rates that we would have seen in our key markets of Bihar, Jharkhand, UP-Uttarakhand and NCR?

Vivek Khanna: Our core strong markets of Bihar and Jharkhand have grown in single-digits, UP-Uttarakhand has grown in double-digits and Delhi is close to the average for quarter.

Rajat Sethia: Are there any visible signs of slowdown that we are seeing in Bihar or Jharkhand?

Vivek Khanna: I would like to believe that we are growing faster than the market.

Rajat Sethia: What would be your revenue share from Uttar Pradesh and Uttarakhand?

Vivek Khanna: It is about 40% from Bihar & Jharkhand. UP-Uttarakhand put together is about 37%. Bihar is about 32%, Jharkhand would be 10%-11% and the rest is Delhi.

Rajat Sethia: In UP, Dainik Bhaskar came in but through an online model. What is our strategy on digital media at this point of time? Anything that we are working on? You have mentioned that we would come out with a specific strategy**.**

Vivek Khanna: Yes, so we have three-prong strategies. Level one which we have completed in the year that has gone by is some very basic hygiene stuff that we had to do around our websites and some stuff around technology pertaining to e-papers. It is true that we have started later than some of competitors but we believe that it is not going to be a competitive disadvantage for us in Hindi space. Phase-II, which we started in the current year, is introducing some new initiatives in the digital space which will start happening within the next couple of months. We will be launching certain things in this year. Phase-III, which is about some advanced offerings in the vernacular space is something that will happen later. But this year our focus is on Phase-II so that we can become a strong digital company going forward.

Rajat Sethia: Could you give me the free cash flow that we generated this year?

Ajay Jain: Free cash flow that we have generated is 162 crores.

Rajat Sethia: By when would we able to come to a conclusion on what the cash will be utilized for?

Vinay Mittal: We are hoping as soon as possible but I suppose it would be over the course of this year.

Rajat Sethia: Because we have been generating such strong cash flow and that cash pile is also increasing, do we plan for more dividends? We have sufficient cash and we would generate similar amount of cash next year as well if everything goes accordingly.

Vinay Mittal: Yes, we should be generating cash particularly when the economy also does better as the year progresses. I am sure the Board will take that into consideration . **Moderator:** Thank you. The next question is from the line of Manjeet from Solidarity Advisors. Please go ahead.

Manjeet Buaria: Could you elaborate on the total market size of the Hindi daily in India across all states where you are present as well as states like Madhya Pradesh, Rajasthan where you are not present currently in terms of advertising revenues?

Vivek Khanna: There are various estimates which are in public domain like KPMG. If you want I can forward that report to you. Broadly, I can tell you the largest market in the country, as we look at, is UP-Uttarakhand followed by Rajasthan, MP, Chhattisgarh and then Bihar, Jharkhand, Punjab, Haryana and Himachal. The way we look at it, we broadly have these five pockets and I have state wise numbers which I can forward to you. Broadly, that is the hierarchy for the major regions in Hindi.

Manjeet Buaria: If we take a 5 to 10 year view, how much of digitalization impact you see on the Hindi daily market? Are these pockets technologically advanced enough to create a serious dent as far as the print media advertising goes? How do you look at that over a longer period of 5 to 10 years?

Vivek Khanna: I will tell you my views for the next three-four years because technology is very difficult to predict and I could be eating my own words in a few months' time. Firstly, even if you look at the players who have significantly greater strength than us in the Hindi digital, a lot of their page views come from Delhi, Maharashtra, Karnataka which have higher digital penetration or greater internet mobile penetration and not so much from the hinterlands of UP, Bihar, and Jharkhand. Secondly, I travel across our markets of UP, Bihar, Jharkhand, and Uttarakhand and carrying phone there makes one frustrated at times because of the speed and non-functionality of 3G in many of the cities. Therefore, if I were to look at a very short-term, there is not too much of an impact of digitization on print media in our markets at the moment. However, we have seen how markets have moved both in the West as well as the English market in India. And therefore, it is pretty clear that we have to prepare ourselves for something that may come three years from now or five years from now which is very difficult to say when it will hit us. But I do not see too much of an impact for next two-three years. Even as we speak, the English market continues to grow despite the significant penetration of mobile and digitization in cities. So, English is growing and it is estimated that English will continue to grow. So, I think the impact on Hindi and vernacular especially in relatively poorer states of North India will take longer.

Manjeet Buaria: When you said that the English market is currently growing, are you talking of advertising revenues or volumes?

Vivek Khanna: Advertising revenues terms.

Manjeet Buaria: Do you have any idea as to how English digitalization revenues are growing and have affected across the board in English daily. How much percentage of advertising revenues have gotten cannibalized?

Vinay Mittal: At this point of time, the fact is that even the English is growing, maybe a little lower than the vernacular. The diversion of the revenues started with the job market when a lot of jobs classified had moved to digital medium like the Naukri, Monster, Shine etc. The second is the housing piece, which is still not affected but the housing portals have become strong and competitive. Then, the matrimony piece. The classifieds is the one which has moved from print to digital first. Luckily, the classified portion in print media was quite small about 8% to 10%. Therefore, it has not hurt the print media that much. But as pointed out earlier, six months to one year could be a short time in digital. So let's see how the things evolve over the next one to two years.

Manjeet Buaria: How big is the E-commerce advertising as part of your advertising revenue or is it not significant?

Vivek Khanna: In the year that went by, it was not very significant but we expect it to become more significant in the current year.

Moderator: Thank you. Next question is from the line of Jai Doshi from Kotak Securities. Please go ahead**.**

Jai Doshi: You mentioned that you evaluated or are considering three large markets in the Hindi belt. In these markets, the competitive intensity is high and the incumbents are very strong. Moreover, from our experience in Uttar Pradesh, we realize that it takes at least few years for the print business to breakeven in large markets. On one hand, there is organic expansion in the new markets. On the other hand, you are focusing your time, energy & funds on digital and trying to address some of those markets through the digital medium. How do you compare these two things and what are thoughts on this ?

Vivek Khanna: We have to do both. We have to become aggressive in digital and we are doing it. Secondly, as far as expansion is concerned, we have options both on the organic and inorganic front and as I mentioned sometime back, it may be easier and cheaper for us to enter a new state through an acquisition route which we are evaluating right now. I can tell you that we would not rush into a state without really having a proper business case. We will enter a state just like we did our expansion in UP-Uttarakhand where we knew exactly the paths we had to follow. We were very conscious of the fact that we have to deliver a certain top-line as well as bottom-line. Our strategy, in case we decide to go ahead and expand, will be done in a similar manner. We also have to be very clear that there is a return on investment that we are doing. The print media at this moment, especially the Hindi print media, seems to continue to grow over the next few years and that is the reason we are evaluating it. But, if suddenly there is a technological change and there is a huge impact of the same, we may relook it. But at this moment, we see an opportunity very clearly in digital as well as in the print.

Jai Doshi: How is your progress on digital front? You have mentioned that you have done some work on say the step one. How does it compare with the parent HT Media? Are the digital teams of both companies independent or it makes more sense to align? Can you help us understand how is HT Media Digital arm doing versus HMVL in terms of unique visitors?

Vivek Khanna: We do not have to reinvent the wheel. We have a lot of learnings from the parent and clearly you know we are taking all those learnings on-board. We have appointed a Chief Digital Officer for the Group. We have hired a few people in HMVL for digital who will be exclusively working on it and they have already started work on some initiatives. We have to have a certain basic technological hygiene and a certain platform ready before we start launching our initiatives aggressively. We believe we are late but don't have a competitive disadvantage on account of that. So, I would not say that we are late; I would say that we started later than some of our competitors. But I think that in the digital space, a lot happens in six months. Therefore, the strategy is clearly in place now and we have to go about executing it. We have learnings from the parent which we will be using.

Jai Doshi: In digital, you would be competing against news broadcasters, television broadcasters, independent technology players etc. What kind of investments do you think will be necessary over the next two or three years?

Vivek Khanna: I am not sharing an indicative number but there are investments which have been done at the Group level which we can also utilize. There are certain benefits that we will get on account of that. We do not have to go about making the same set of investments twice. At the same time, there are few investments such as getting the right talent on-board and having a basic level of technology which is also not very expensive these days.

Moderator: Thank you. Next question is from the line of Shalabh Agarwal from Snowball Capital. Please go ahead.

Shalabh Agarwal: Regarding the latest IRS numbers, how have they been taken by the advertisers? We believe there are still some section of publications who are not agreeing to the same. How is it being taken by the advertisers now?

Vivek Khanna: Even last year when we went to advertisers after the IRS results, they told us that they are very well aware of the work that we have done in UP. They said that we have been coming to them for the last two to three years and telling them about our stance which clearly stands vindicated now.

Shalabh Agarwal: Do you think that, from an industry perspective there is any convergence now? Or you hope to see something soon from the industry side?

Vivek Khanna: Just hope that we have one currency that everyone follows.

Moderator: Thank you. Next question is from the line of Manjeet from Solidarity Advisors. Please go ahead.

Manjeet Buaria: Could you guide us about which are the top three or five sectors who contribute to your advertising revenue number wise?

Vivek Khanna: The sectors would be Government, FMCG, Education and Auto. These are the top four or five sectors.

Manjeet Buaria: Are these spread across evenly as a percentage or there is a bigger variation among these?

Vivek Khanna: No, they are pretty even. These are the top four and they account for above 55% of our revenue.

Moderator: Would you like to add any closing comments?

Vivek Khanna: I just like to thank you all. We have had a good last year and we hope to continue the growth momentum into the year ahead.

Moderator: Thank you very much members of management. Ladies and gentlemen on behalf of Motilal Oswal Securities that concludes this conference call. Thank you for joining us and you may now disconnect your lines.

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