

## Radio Segment - Jagran Prakashan!

13<sup>th</sup> Jan, 2017

<b>Rating</b>	
<b>CMP</b>	<b>Rs 170</b>
<b>Target Price</b>	<b>Rs 213</b>
<b>Recommendation</b>	<b>BUY</b>

### Stock Info

<b>BSE Group</b>	B
<b>BSE Code</b>	532705
<b>NSE Symbol</b>	JAGRAN
<b>Bloomberg</b>	JAGP IN
<b>Reuters</b>	JAG.BO
<b>BSE Sensex</b>	26,208
<b>NSE Nifty</b>	8,034

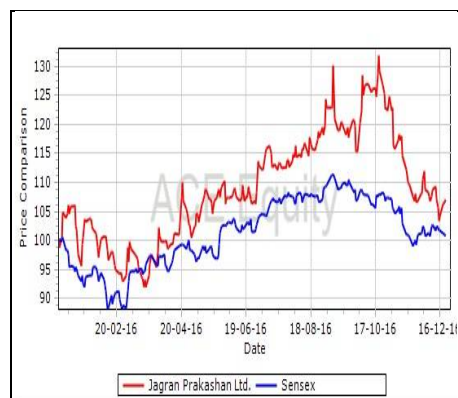
### Market Info

<b>Market Capital</b>	5,506 cr
<b>Equity Capital</b>	65 cr
<b>Avg. Trading Vol.</b>	1,76,240
<b>52 Wk High/ Low</b>	213/144
<b>Face Value</b>	2

### Shareholding Pattern (%) (Sep' 16)

<b>Promoters</b>	60.8
<b>Domestic Institutions</b>	12.5
<b>Foreign Institutions</b>	15.7
<b>Public &amp; Others</b>	11.0

### Price Chart:



### Regulatory Highlights:

Presently there is no regulation restricting or otherwise limiting the maximum number of advertisements per hour or within a specified timeframe.

One of the biggest challenges internet radio faces is the unviable music royalty internet radio operators have to pay as well as ad hoc changes in the royalty fees which are not governed by any regulatory authority.

Government has liberalized regulations to provide impetus to the radio industry. New Phase III policy has been introduced. Highlights of FM Radio Phase III Policy are follows:

- **Multiple frequencies:** An operator under Phase III Policy regime may own up to 40 percent of stations in the same city subject to three different operators operating in the city, whereas the Phase II Policy permitted only one channel per operator per city.
- **Permission to broadcast news and current affairs:** The radio stations can broadcast news bulletins of All India Radio as mutually agreed with Prasar Bharati. This was not allowed under Phase II Policy.
- **Networking:** An entity will be permitted to network its stations within the country, which results in saving of cost by sharing the infrastructure.
- **License period:** License period for the migrating stations and the new stations have been extended to 15 years under Phase III Policy.
- **Lock in:** Lock-in period for the largest Indian shareholder has been reduced to three years under the Phase III Policy.
- **FDI Limits:** The present FDI limit 49% as against 26% under the Phase II Policy regime.

### Financial Snapshot

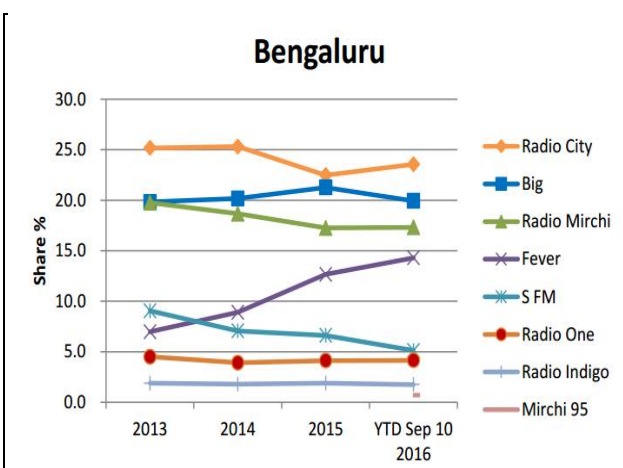
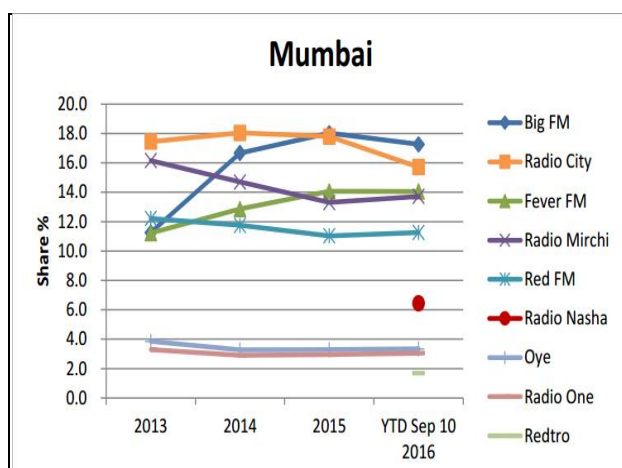
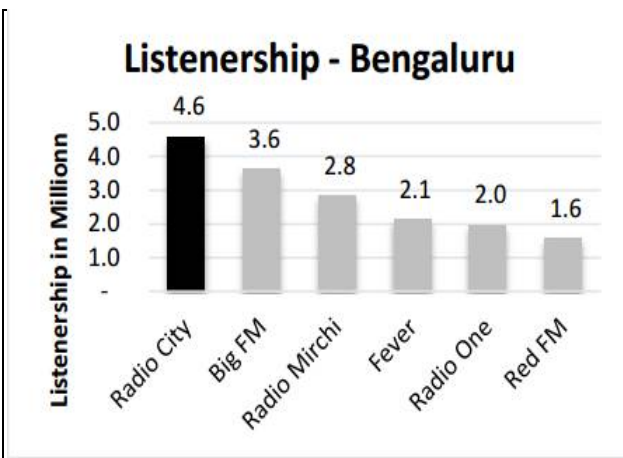
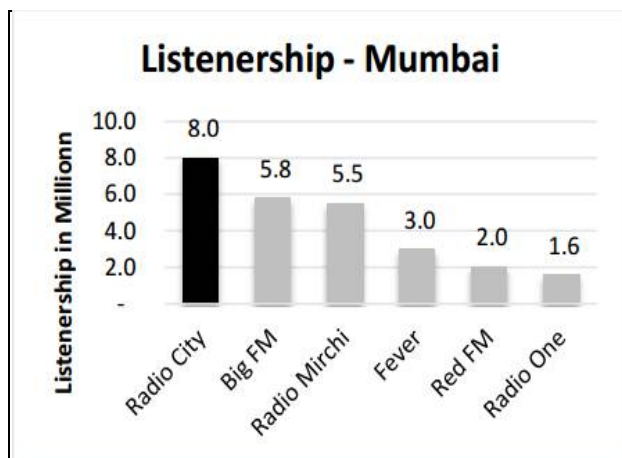
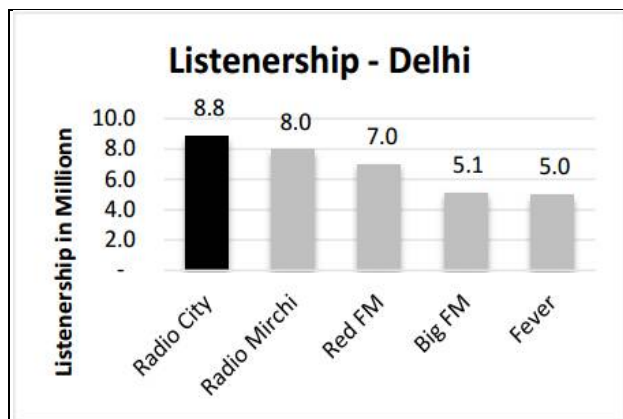
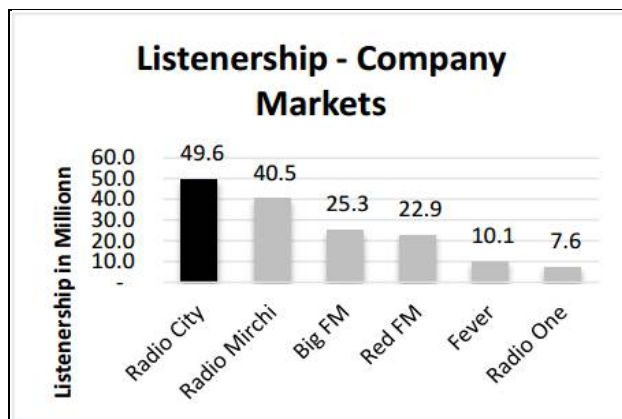
Particulars	2015	2016	2017E	2018E
Revenue from Operations	1770	2107	2321	2633
Operating Margin	25%	28%	29%	29%
Net Profit Margin	17%	21%	17%	17%
RoE	29%	33%	23%	24%
P/E	22.1	16.4	13.9	12.0



### Listenership Market Share

Amongst the private radio stations, Radio City has consistently been the number one radio station in terms of average listenership share (in percentage). In Bangalore and Mumbai with 24.1% and 17.2% respectively

In 2015, Bengaluru radio listeners spent 1,420 minutes, highest in any week on total radio while Mumbai listeners tuning in to radio for 850 minutes, highest in any week.



**Arihant Research Desk**

E. research@arihantcapital.com  
T. 022-42254800

**Head Office**

#1011, Solitaire Corporate park,  
Building No. 10, 1<sup>st</sup> Floor,  
Andheri Ghatkopar Link Road,  
Chakala, Andheri (E).  
Mumbai - 400093  
Tel: (91-22) 42254800  
Fax: (91-22) 42254880

**Registered Office**

E-5 Ratlam Kothi  
Indore - 452003, (M.P.)  
Tel: (91-731) 3016100  
Fax: (91-731) 3016199

**Stock Rating Scale**

	<b>Absolute Return</b>
Buy	> 20%
Accumulate	12% to 20%
Hold	5% to 12%
Neutral	-5% to 5%
Reduce	< -5%

**Research Analyst Registration No.****Contact****Website****Email Id****INH000002764****SMS: 'Arihant' to 56677**[www.arihantcapital.com](http://www.arihantcapital.com)[research@arihantcapital.com](mailto:research@arihantcapital.com)**Disclaimer:**

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