



"THE NEXT LEVEL OF GROWTH FOR CABLE COMPANIES WILL COME FROM BROADBAND..."

SAMEER MANCHANDA, joint MD, IBN18

PHOTO BY PRIYANKA PARASHAR

a tough time raising equity. He had to pool in his savings, sell the flat in Mumbai and borrow to raise funds. Within 10 months of getting possession of the foundry, he fired the furnace, made profit in seven months and even declared a dividend.

"There were thousands of snakes in the closed unit, six-foot tall grass... No worker was ready to clean up the place. We had to bring tribals, who feast on snakes. All equipment and components were stolen, except for a motor on a crane. I was told the unit served as a hideout for local Naxalites groups," recalls Chowdhury.

Since then, he has acquired four-five small companies, simply because he could not afford to buy the big

ones. Soon he acquired a reputation for turning around sick units. In 1995, the then West Bengal chief minister Jyoti Basu asked him to take over Titagarh Paper Mill, a sick unit which was facing liquidation. This proved to be a setback.

Though Chowdhury restarted the unit in five months, the paper market crashed as the country began importing paper and the industry turned sick. Titagarh had an industrial estate, which was leased out to three units that shut down and defaulted on rents. Chowdhury used a shed of one of those units to set up the wagon plant in 1997. Titagarh Wagons was able to ride on Indian Railways' schemes, which allowed private

companies to buy wagons. Since 2002, its sales have grown at a CAGR of 90 per cent and profits at 70 per cent. "We were agile to capture the opportunity," says son Umesh.

The downturn last year saw sales and profits falling 45 per cent for the first half of FY10.

A volatile stock market did not deter Sameer Manchanda from tapping the market last month. The promoter of Den Networks raised Rs 370 crore through its maiden IPO (initial public offering). After working for two decades in the television industry, he founded Den Networks, the cable distribution company which reaches 20 million households.

Two companies have inspired Manchanda. "Infosys, which showed that professionals can get together and create an empire, and Comcast, the US cable giant with over \$50 billion in market cap. We wanted to be like Comcast," says Manchanda. Comcast, too, grew by acquiring small cable operators in the US, and consolidating them.

Den has a similar business model. It has acquired 62 multi-system operators (MSOs, or large cable operators) across 10 states.

Why should they partner with Den? It brings in technology to digitise and attributes of scale. Manchanda feels, like telecom, television and cable could be large plays as they provide annuity income and costs are low. "You can still build a play similar to telecom," he says. The next level of growth for cable companies, he feels, will come from broadband. The competition from Direct-to-Home (DTH) does not bother him as the market is huge.

"We have 120 million cable households (if you include houses with two TVs, the figure is 170 million). We are the largest cable operator. DTH is helping us digitise the market," says Manchanda.

In the US, Comcast is the largest player with 22-24 million households, followed by Direct TV and Time Warner (roughly 14 million each). Cable offers EBITDA margins of 32-33 per cent, while DTH offers 20-22 per cent. Besides, cable can do broadband, which DTH can't offer. Cable can offer triple play: television, voice-over-internet and broadband.

A TURNAROUND ARTISTE, WHO SAW A GOLDMINE IN A FACTORY CLOSED FOR 15 YEARS

JP CHOWDHURY, Chairman, Kishore Energy

No wonder, Den has taken an all-India ISP licence.

A chartered accountant by training, Manchanda is good at raising funds and striking deals. Associated with NDTV (starting as an auditor) since its inception in 1988, he was seen as the man behind the profitable deal NDTV had with Rupert Murdoch — Murdoch paid NDTV a flat sum per year, while NDTV exercised all editorial control. He also helped NDTV raise close to Rs 100 crore through an IPO in April 2004.

In 2005, he teamed up with Rajdeep Sardesai (then managing editor, NDTV) and Raghav Behl (Television Eighteen Group) to find Global Broadcast News (GBN), which launched CNN-IBN and IBN (by acquiring Channel 7). In 2007, he helped GBN raise Rs 105 crore through an IPO.

Manchanda loves tennis, but a back problem restrains him from playing it; he makes it up by playing table tennis or football with his sons.

S Kishore and K A Sastry have not been so lucky. The promoters of KSK Energy have too much on their plate to spend quality time with their family. The chartered accountants, who started out as advisors to captive power projects and made a name for themselves, are today implementing projects worth Rs 16,000 crore,

including a 3600Mw power project in Chhattisgarh (it recently doubled the size of the project).

In November, the company raised Rs 516 crore through Qualified Institutional Placement, after raising Rs 831 crore through an IPO in June 2009. This was among the first in a series of IPOs from power developers. KSK had also raised \$85 million from an affiliate of Lehman Brothers. Nearly half of this stake (13.2 per cent) of the 23.2 per cent Lehman holds in KSK is locked in for two years. Last month, Lehman sold 5.36 per cent stake.

Lehman is not the only problem. KSK is in the middle of implementing three projects, two of which are slated to go on stream by March. But new visa norms for Chinese workers have stalled work at Chhattisgarh.

Kishore, KSK's executive director, was extremely reluctant to participate in this story. "We have entered into the bigger league sooner than expected. People are watching us," he says. And, rightly so.

When it came up with IPO last year, KSK had set up only 144 Mw of power capacity and 40 Mw of captive power. It could think big as it has been innovative. Take fuel, for instance, which is like a land bank for a power project. It has tied up with state mining corporations, which were award-

ed coal blocks in captive format. "We told them there is an opportunity for them and us. You dedicate the coal to us; we will develop and sell power to you," says Kishore. It has tied up coal for 8,000-9,000 Mw of power.

Similarly, it set up captive plants for consumers who also picked up 49 per cent equity that offered no return. Bulk consumers like Lafarge did not mind it as they lacked the expertise in power, didn't have to carry the debt on their books, and could get assured supply of power at an average cost of Rs 3 per unit — cheaper than they could buy from state utilities. The challenge for KSK is to deliver on its bigger projects.

Chandra Kumar Dhanuka used to play tennis regularly till recently. At 55, he is now planning to focus on a more calming passion, like the violin. "The doctor has asked me not to play tennis because of my back problem," says Dhanuka, chairman, Dhunseri Tea & Industries. He can't take chances with his health, as he's aiming big... In the next three years, Dhunseri Tea & Industries would have sales of Rs 4,000-5,000 crore, a big leap from the current level of Rs 1,216 crore. Like great chess players, Dhanuka started on a low scale and is now looking at growing in leaps and bounds. Dhunseri's consolidated sales have clocked more than a 1000

PHOTO BY SUBRATA MAJUMDER

## RANKED BY NET SALES

RANK	2009	2008	NET SALES		OPERATING PROFIT			CASH PROFIT		NET PROFIT		
			2009	%	2009	%	Rank	2008	2009	2009	%	Rank
			Rs crore	change	Rs crore	change		Rs crore	Rs crore	Rs crore	change	
473	493	ZYDIG SYSTEMS	751.04	23.30	123.64	-12.70	404	92.87	105.61	84.55	2.90	293
474	503	RENAISSANCE JEWELLERY	750.96	25.80	45.14	-5.00	690	36.93	27.95	23.39	-30.40	535
475	403	SHASUN CHEMICALS & DRUGS	750.84	-7.20	-81.02	**	978	55.93	-98.96	-137.09	**	956
476	605	HIND INDUSTRIES	750.78	63.80	-44.55	48.50	693	11.74	25.82	16.71	528.20	602
477	556	C & C CONSTRUCTIONS	750.13	40.70	163.31	56.40	333	56.30	65.96	41.02	0.50	430
478	517	EMAMI	749.01	29.40	160.54	34.00	336	97.52	100.27	91.86	1.50	275
479	449	SANGAM (INDIA)	748.27	7.50	78.31	-17.70	540	54.48	43.06	-15.99	**	675
480	478	FAG BEARINGS INDIA	746.33	16.40	168.42	16.80	326	98.89	116.21	95.72	20.40	261
481	845	MAWANA SUGARS	1116.14	232.60	2.13	-87.60	942	13.15	-91.67	-168.17	**	954
482	496	3M INDIA	742.02	22.00	98.73	-12.50	473	73.57	64.89	57.46	-15.10	385
483	658	DISH TV INDIA	738.11	78.80	-114.66	*	985	-257.10	-251.83	-480.69	*	988
484	462	UNICHEM LABORATORIES	729.56	9.50	152.31	72.20	356	69.50	130.42	108.01	110.30	244
485	430	NECTAR LIFESCIENCE	727.97	-1.10	144.09	11.00	369	94.22	83.28	52.97	-29.10	378
486	501	BF UTILITIES	723.91	20.10	173.28	16.20	321	121.84	137.11	123.33	12.80	214
487	582	SURYA PHARMACEUTICAL	722.93	48.60	121.31	32.40	411	51.07	77.18	56.13	34.60	372
488	334	AMTEK INDIA	720.80	26.20	192.30	-62.10	303	400.22	124.19	54.06	-84.40	375
489	530	PUNJAB CHEMICALS & CROP PROTECTION	719.88	27.10	92.25	-4.20	504	44.61	30.29	-0.92	**	825
490	471	ESKAY K'N (INDIA)	718.92	10.30	120.27	22.40	415	83.93	107.05	17.67	-14.60	595
491	297	SALORA INTERNATIONAL	718.90	-35.50	16.61	-67.80	877	29.20	5.53	0.09	-98.60	818
492	626	TRE	718.47	67.90	80.10	16.50	533	42.01	-44.32	40.49	7.90	438
493	524	K P R MILL	718.18	25.10	112.62	-23.50	433	126.36	66.05	10.10	-87.30	680
494	536	J B CHEMICALS & PHARMACEUTICALS	715.11	27.70	72.57	-7.80	565	62.72	46.14	25.71	-41.70	575
<b>495</b>	<b>-</b>	<b>DEN NETWORKS</b>	<b>712.19</b>	<b>529.10</b>	<b>10.83</b>	<b>**</b>	<b>910</b>	<b>-20.45</b>	<b>0.92</b>	<b>-15.11</b>	<b>*</b>	<b>870</b>
496	437	PRIZER	711.28	-0.40	430.24	-6.10	163	349.58	310.69	299.57	-11.90	102
497	534	EMMSONS INTERNATIONAL	709.27	26.50	25.68	1.90	826	9.89	7.21	6.67	-30.20	720
498	574	EXCEL CROP CARE	700.58	40.10	77.73	38.20	542	32.63	43.31	35.21	38.20	403
499	434	KULOOSKAR FERROUS INDUSTRIES	699.37	-3.70	55.96	-40.20	630	67.57	30.99	7.95	-81.80	705
500	635	SIMBHAOLI SUGARS	699.03	60.40	168.47	506.40	324	3.10	108.33	71.78	**	323
501	580	BAHARI AMMAN SUGARS	698.84	33.20	176.42	114.40	316	77.16	163.91	119.83	183.00	235
502	197	BHUSHNATH DEVELOPERS	698.40	-60.60	238.47	-64.90	266	448.30	141.03	112.91	-73.40	238
503	529	SASKEN COMMUNICATION TECHNOLOGY	697.81	22.40	104.59	18.50	456	66.81	72.24	42.30	7.40	423
504	488	ABBOTT INDIA	695.32	11.70	101.35	-5.80	465	74.09	89.85	62.87	-8.10	347
505	465	SUBROS	694.08	4.70	64.59	-23.60	588	61.15	-44.83	13.24	-53.80	643
506	481	CIBA INDIA	691.98	8.40	70.25	-1.80	569	48.67	51.56	32.78	10.10	415
507	453	SONA KOYO STEERING SYSTEMS	691.96	1.20	11.40	-83.40	506	41.69	-6.66	-31.74	**	898
508	467	JAY BHARAT MARUTI	691.24	5.30	60.25	12.40	611	38.09	44.72	10.36	-34.60	677
509	496	RADICO KHATAN	691.20	-13.90	91.26	-14.80	507	52.05	-29.65	6.53	-80.30	723
510	499	FEDERAL-MOGUL GOETZE (INDIA)	689.49	14.20	72.16	9.90	566	24.30	39.45	-6.89	*	843
511	542	TITAGARH WAGONS	689.05	24.20	109.31	-8.20	442	62.72	86.09	64.12	5.90	346
512	602	TANLA SOLUTIONS	687.13	49.50	291.60	25.40	222	188.14	263.48	199.11	19.60	141
513	641	RELIANCE MEDIASERVICES	685.29	59.60	171.48	-22.10	322	152.72	75.51	-51.38	**	919
514	445	DREDGING CORPORATION OF INDIA	685.28	-2.80	114.46	-41.00	431	196.55	99.05	46.37	-70.00	401
515	615	SREE NAYALASEEMA ALKALIES & ALLIED CHEM.	681.52	52.10	123.68	35.60	403	52.38	59.88	27.31	18.50	513
516	755	LLOYDS METALS & ENGINEERS	681.18	106.60	56.12	-13.60	629	43.62	48.04	28.47	27.20	504
517	619	CORE PROJECTS & TECHNOLOGIES	677.50	51.80	214.98	104.70	283	-89.32	171.24	143.21	68.90	188
518	441	CLASSIC DIAMONDS (INDIA)	677.22	-4.70	44.51	-36.10	695	37.80	9.31	3.57	-88.50	765
519	470	CHEMPLAST SANMAR	675.76	5.60	31.39	-68.00	778	52.38	-12.65	-66.61	**	935
520	440	SICAL LOGISTICS	674.55	-5.20	96.88	-17.00	483	77.96	54.08	18.01	-64.10	585
521	495	STEEL EXCHANGE INDIA	672.50	10.50	36.03	-10.80	746	18.10	7.62	4.79	-68.60	751
522	572	KAJARIA CERAMICS	669.09	33.70	95.93	17.20	489	38.63	33.84	8.90	-40.70	694
523	482	NITCO	667.43	4.60	75.52	-13.00	547	62.09	39.53	25.12	-50.90	525
524	466	PRICOL	662.60	0.30	35.53	59.60	750	53.28	2.00	-36.87	**	905
525	597	GILLETTE INDIA	661.90	12.10	188.41	-4.00	307	131.35	124.50	113.13	-3.60	235
526	510	DHAMPUR SUGAR MILLS	661.59	12.40	125.11	3871.70	402	27.25	56.97	3.80	**	763
527	558	XL TELECOM & ENERGY	656.22	24.00	74.63	81.30	552	21.80	42.27	40.14	98.90	435
528	535	PENBAR INDUSTRIES	653.28	16.60	80.86	16.30	531	38.86	46.59	38.09	23.60	445
529	781	GEODESIC	653.00	106.40	378.11	84.20	184	182.25	318.42	264.34	77.90	135
530	354	ANGAL PROPERTIES & INFRASTRUCTURE	651.08	-30.20	156.17	-43.60	345	181.95	43.87	32.55	-81.20	477
531	688	TEMPLE COMPANY OF INDIA	649.79	66.10	116.06	166.40	425	26.54	62.86	34.80	783.20	464