16 October 2025

2QFY26 Results Update | Sector: Media

Zee Entertainment

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	Z IN
Equity Shares (m)	961
M.Cap.(INRb)/(USDb)	105 / 1.2
52-Week Range (INR)	152 / 89
1, 6, 12 Rel. Per (%)	-7/-12/-18
12M Avg Val (INR M)	1662

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	82.4	86.7	91.1
EBITDA	9.9	11.2	12.8
Adj. PAT	6.1	7.2	8.4
EBITDA Margin (%)	12.0	13.0	14.0
Adj. EPS (INR)	6.3	7.5	8.8
EPS Gr. (%)	-22.8	18.6	17.1
BV/Sh. (INR)	124.1	129.1	135.4
Ratios			
Net D:E	-0.3	-0.3	-0.3
RoE (%)	5.2	5.9	6.6
RoCE (%)	5.3	6.0	6.7
Payout (%)	38.1	33.4	28.5
Valuations			
P/E (x)	17.2	14.5	12.4
P/B (x)	0.9	0.8	0.8
EV/EBITDA (x)	7.4	6.1	5.2
Div . Yield (%)	2.3	2.3	2.3

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	4.0	4.0	4.0
DII	16.9	16.0	22.5
FII	24.8	22.8	18.9
Others	54.3	57.2	54.6

FII Includes depository receipts

CMP: INR109 TP: INR100 (-9%) Neutral

Weak ad revenue, high A&P spends lead to washout 2Q

- Zee Entertainment (Zee) reported weak 2QFY26, with 54% YoY decline in EBITDA (13% miss), due to persisting weakness in domestic ad revenue (-12% YoY) and higher A&P spends (up 42% YoY).
- However, Zee5's performance remained robust with ~32% YoY revenue growth and further reduction in operating loss to INR312m (vs. a loss of INR658m QoQ and INR1.6b YoY).
- Management remains hopeful of a recovery in ad revenue in 2HFY26, driven by i) improvement in its viewership share, ii) recent GST cuts boosting consumer sentiment ahead of the festive season, and iii) improved traction in new initiatives. However, achieving the earlier guidance of 8-10% revenue growth and exit margins of ~18% by FY26 appears difficult.
- We cut our FY26-28E EBITDA by 6-10% and adj. PAT by 10-14%, driven by persistent weakness in ad revenue and higher content and A&P spends.
- We build in a CAGR of 3%/2%/2% in revenue/EBITDA/PAT over FY25-28E. However, we see downside risks to from a structural shift in ad revenue to digital medium (Zee's ad revenue down 30% from FY19 levels).
- We reiterate our **Neutral rating with a revised TP of INR100** (earlier INR115), premised on ~12x Dec'27 EPS.

Washout quarter; higher A&P spend dents profitability

- Consolidated revenue declined ~2% YoY (+8% QoQ) to INR19.7b (in line), driven by continued weakness in ad revenue.
  - Advertisement revenues declined 11% YoY to INR8.1b (-17% YoY in 1Q), as domestic ad revenue fell 12% YoY (vs. -19% YoY in 1Q) due to a slowdown in FMCG spending.
  - Subscription revenue grew 5.5% YoY to INR10.2b (+4% QoQ), driven by healthy ~8% YoY growth in domestic subscription revenue.
  - Revenue from other sales and services grew 8% YoY to INR1.4b (+65% QoQ), likely driven by higher syndication revenue and movie releases.
- EBITDA declined sharply by 54% YoY to INR1.5b (-36% QoQ, 13% miss) as margin contracted ~860bp YoY to 7.4% (-505bp QoQ and 110bp miss).
  - The sharp EBITDA decline is largely attributable to 42% YoY increase in advertisement expenses for promotion of new shows and films.
  - Employee expenses declined 6% YoY (9% lower than our estimates), while operational costs grew by a modest ~2% YoY (7% below).
- Reported PAT declined 64% YoY to INR765m (-47% QoQ, 23% miss) due to lower EBITDA and a higher tax rate.
- 1HFY26 revenue/EBITDA/adj. PAT declined 8%/37%/38% YoY due to weak ad revenue (-14% YoY) and higher A&P spends (+17% YoY).

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- Based on our estimates, the run-rate for revenue/EBITDA/PAT in 2HFY26 stands at 7%/2%/16%, which could have downside risks if ad revenue continues to fall.
- Zee had OCF outflow of INR790m in 1HFY26 (vs. INR3.9b OFC generation YoY), driven by 37% YoY decline in EBITDA and adverse WC movement. FCF outflow stood at INR1.5b (vs. INR3.4b FCF generation in 1HFY25).
- Zee's net cash declined to INR18.3b (vs. INR21b in Mar'25), largely driven by FCF outflow.

Zee5: 32% revenue growth leads to further reduction in operating losses

- Zee5 revenue grew 32% YoY to INR3.1b (~7% QoQ), driven by healthy trends in usage and engagement metrics.
- Operating losses reduced further to INR312m (vs. ~INR658m loss QoQ and ~INR1.6b loss YoY).
- Adjusted for Zee5, linear TV business revenue declined 6% YoY, while EBITDA declined sharply by 63% YoY to INR1.8b as margins **contracted ~1650bp** YoY to 10.7%, driven by higher A&P spends and operating deleverage.

Key highlights from the management commentary

- **Ad revenue trends and outlook:** Domestic advertising environment continues to be soft. However, management remains cautiously optimistic on ad recovery in 2HFY26, driven by i) improvement in its viewership share, ii) recent GST cuts boosting consumer sentiment ahead of the festive season, and iii) improved traction in new initiatives.
- **Earlier guidance unlikely to be met in FY26:** The guidance of 8-10% revenue growth and ~18% exit margin for FY26 appears difficult to achieve, given the weakness in ad revenue and high investments in content and A&P spends in 1H.
- **Higher A&P spends:** The increase in A&P spends was driven by launch of two new regional GEC channels and increase in new content and movie releases.
- **Subscription trends and outlook:** Digital subscription growth was primarily driven by improved traction for language packs in Zee5 and renewal of linear distribution contracts with DPOs.
- **Promoter stake increase:** Promoters remain keen on raising the stake in the company and are evaluating various modes for the same but have not considered purchasing the stake from the open markets yet.

Valuation and view

- Zee's aspiration to deliver a revenue CAGR of 8-10% with its current portfolio and improve EBITDA margins to an industry-leading range of 18-20% by FY26 seems unachievable, given the weak performance in 1HFY26.
- We believe that a sustainable recovery in ad revenue remains the key to any potential re-rating of multiples for Zee.
- We cut our FY26-28E EBITDA by 6-10% and adj. PAT by 10-14%, driven by persistent weakness in ad revenue and higher content and A&P spends.
- Despite a consistent decline in ad revenue (down ~30% from FY19 levels), we have built in ~2.5% CAGR in ad revenue over FY25-28, which continues to have downside risks from the structural shift in ad spends to digital mediums.
- We build in a CAGR of 3%/2%/2% in revenue/EBITDA/PAT over FY25-28E.
- **We reiterate our Neutral rating with a revised TP of INR100 (earlier INR115), premised on ~12x Dec'27 P/E.**

Consolidated - Quarterly Earnings (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	v/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	Est (%)
Revenue	**21,305**	**20,007**	**19,788**	**21,841**	**18,248**	**19,692**	**21,087**	**23,353**	**82,941**	**82,380**	**19,785**	*-0.5*
YoY Change (%)	7.4	-17.9	-3.3	0.7	-14.3	-1.6	6.6	6.9	-4.0	-0.7	-8.4	
Total Expenditure	18,589	16,797	16,604	18,989	15,968	18,228	17,718	20,572	70,979	72,486	18,095	*0.7*
EBITDA	**2,717**	**3,210**	**3,184**	**2,852**	**2,280**	**1,464**	**3,370**	**2,781**	**11,963**	**9,894**	**1,690**	*-13.4*
EBITDA Margin (%)	12.8%	16.0%	16.1%	13.1%	12.5%	7.4%	16.0%	11.9%	14.4%	12.0%	8.5%	111 bp
Depreciation	756	732	658	639	591	571	623	688	2,785	2,472	654	*-12.7*
Interest	55	83	108	81	77	130	96	97	327	400	81	*60.0*
Other Income	190	337	345	362	250	264	300	386	1,234	1,200	375	*-29.6*
Fair Value through P&L gain/(loss)	-11	22	23	125	109	126	0	0	159	0	0	
PBT before EO expense	**2,084**	**2,754**	**2,786**	**2,619**	**1,971**	**1,153**	**2,951**	**2,382**	**10,243**	**8,222**	**1,330**	*-13.3*
Extra-Ord expense	286	-109	809	0	0	0	0	0	986	0	0	
PBT	**1,798**	**2,863**	**1,977**	**2,619**	**1,971**	**1,153**	**2,951**	**2,382**	**9,257**	**8,222**	**1,330**	*-13.3*
Tax	542	769	342	734	535	389	743	490	2,387	2,157	335	*16.2*
Rate (%)	30.2	26.9	17.3	28.0	27.1	33.7	25.2	20.6	25.8	26.2	25.2	
MI & P/L of Asso. Cos.	-1	-1	-1	-1	-1	-1	0	0	-4	0	0	
Reported PAT	**1,257**	**2,095**	**1,636**	**1,886**	**1,437**	**765**	**2,208**	**1,892**	**6,874**	**6,065**	**995**	*-23.1*
Adj PAT	**1,543**	**1,986**	**2,445**	**1,886**	**1,437**	**765**	**2,208**	**1,892**	**7,860**	**6,065**	**995**	*-23.1*
YoY Change (%)	211	15	130	78	-6.8	-61.5	-9.7	0.3	81	-23	-50	

E: MOFSL Estimates

Exhibit 1: We value Zee at a TP of INR100, based on 12x Dec'27 P/E

Valuation	Dec'27E
EPS	8.4
PE multiple (x)	12
Target Price (INR)	**100**
CMP (INR)	109
Upside (%)	-7.7

Source: MOFSL, Company

CONFERENCE CALL

Detailed takeaways from management interaction

- **Ad revenue trends and outlook:** Domestic advertising environment continues to be soft. However, management remains cautiously optimistic on ad recovery in 2HFY26, driven by i) improvement in its viewership share, ii) recent GST cuts boosting consumer sentiments ahead of the festive season, and iii) improved traction in new initiatives.
- **Earlier guidance unlikely to be met in FY26:** The guidance of 8-10% revenue growth and ~18% exit margin for FY26 appears difficult to achieve, given the weakness in ad revenue and higher investments in content and A&P spends in 1H.
- **Higher A&P spends:** The increase in A&P spends was driven by the launch of two new regional GEC channels and increase in new content and movie releases.
- **Subscription trends and outlook:** Digital subscription growth was primarily driven by improved traction for language packs in Zee5 and renewal of linear distribution contracts with DPOs.
- **Promoter stake increase:** Promoters remain keen on raising the stake in the company and are evaluating various modes for the same but have not considered purchasing the stake from the open markets yet.
- **New regional GEC launch:** New channel launches are part of Zee's flanking strategy, with an aim to capture a higher share of the ad pie from the regional brands and increase the leadership gap (vs. #2 channel).
- **Higher receivables:** Subscription receivables are typically lumpy in nature. However, collection typically improves in 2H.
- **Viewership trends:** Zee's viewership share continues to improve with 100bp QoQ (+40bp YoY) uptick seen in 2QFY26. Management noted that the translation of a higher viewership share into a higher advertising share typically happens with a lag of ~13-16 weeks; however, Zee has been working with agencies to shorten this lag period.
- **Strategic Partnerships:** The company has recently launched two key strategic initiatives the micro-drama platform, Bullet, targeting Gen Z with short-form, high-quality storytelling, and IdeaBaaz, aimed at surfacing stories and innovations from Tier 2/3 India.

Quarterly performance (INR m)

	2QFY25	1QFY26	2QFY26E	YoY%	QoQ%	2QFY26E	v/s est (%)
Advertising revenue	9,017	7,585	8,063	*-10.6*	*6.3*	7,986	*1*
Subscription revenue	9,699	9,817	10,230	*5.5*	*4.2*	10,153	*0.8*
Other sales and services	1,291	846	1,399	*8.4*	*65.4*	1,646	*-15*
Total revenue	**20,007**	**18,248**	**19,692**	***-1.6***	***7.9***	**19,785**	***-0.5***
Total operating expenses	16,797	15,968	18,228	*8.5*	*14.2*	18,095	*0.7*
EBITDA	**3,210**	**2,280**	**1,464**	***-54.4***	***-35.8***	**1,690**	***-13.4***
EBITDA margin (%)	**16**	**12.5**	**7.4**	***-861bp***	***-506bp***	**8.5**	***-111bp***
Depreciation	732	591	571	*-22*	*-3.4*	654	*-12.7*
Finance Cost	83	77	130	*56.6*	*69*	81	*60*
Other income	337	250	264	*-21.7*	*5.6*	375	*-29.6*
PBT	**2,754**	**1,971**	**1,153**	*-58.1*	*-41.5*	**1,330**	***-13.3***
Exceptional item gain/(loss)	109	0	0	NM	NM	0	*NM*
Reported PBT	**2,863**	**1,971**	**1,153**	*-59.7*	*-41.5*	**1,330**	**-13**
Tax	769	535	389	*-49.4*	*-27.3*	335	16
Effective Tax Rate (%)	26.9	27.1	33.7			25.2	
Reported PAT	**2,094**	**1,436**	**764**	**-64**	**-47**	**995**	**-23**
Associates/Minority Interest	-1	-1	-1	0	0	0	
Reported PAT (after Asso./MI)	**2,095**	**1,437**	**765**	**-63**	**-47**	**995**	**-23**
Adjusted PAT	**1,986**	**1,437**	**765**	**-61**	**-47**	**995**	**-23**
Operating expenses (INR m)	**2QFY25**	**1QFY26**	**2QFY26E**	**YoY%**	**QoQ%**	**2QFY26E**	**v/s est (%)**
Prog, Transmission & Direct Exp	10,615	9,710	10,780	*1.6*	*11.0*	11,623	*-7.3*
Employee Cost	2,275	2,201	2,142	*-5.8*	*-2.7*	2,343	*-8.6*
Selling and Other Exp	3,907	4,057	5,306	*35.8*	*30.8*	4,128	*28.5*
Total operating costs	**16,797**	**15,968**	**18,228**	**8.5**	**14.2**	**18,095**	**0.7**

Source: MOFSL, Company

Exhibit 2: Summary of our estimate changes (INR b)

	FY26	FY27E	FY28E
Ad revenue (INR b)			
Old	34.7	36.6	38.6
Actual/New	34.6	36.6	38.6
Change (%)	*-0.2*	*0.0*	*0.0*
Subscription revenue (INR b)			
Old	40.6	42.5	44.5
New	40.8	42.8	44.8
Change (%)	*0.6*	*0.6*	*0.6*
Total revenue (INR b)			
Old	82.7	87.1	91.6
New	82.4	86.7	91.1
Change (%)	*-0.4*	*-0.5*	*-0.5*
EBITDA (INR b)			
Old	10.6	12.2	14.2
New	9.9	11.2	12.8
Change (%)	*-6.2*	*-8.0*	*-10.2*
EBITDA margin (%)			
Old	12.8	14.0	15.5
New	12.0	13.0	14.0
Change (bp)	*-74*	*-105*	*-151*
PAT (INR b)			
Old	6.9	8.2	9.8
New	6.3	7.2	8.4
Change (%)	*-8.5*	*-12.3*	*-14.4*
EPS (INR)			
Old	7.2	8.5	10.2
New	6.6	7.5	8.8
Change (%)	*-8.5*	*-12.3*	*-14.4*

Source: MOFSL, Company

Story in charts

Exhibit 3: Consol. revenue declined 2% YoY, EBITDA margin contracted by ~860bp YoY

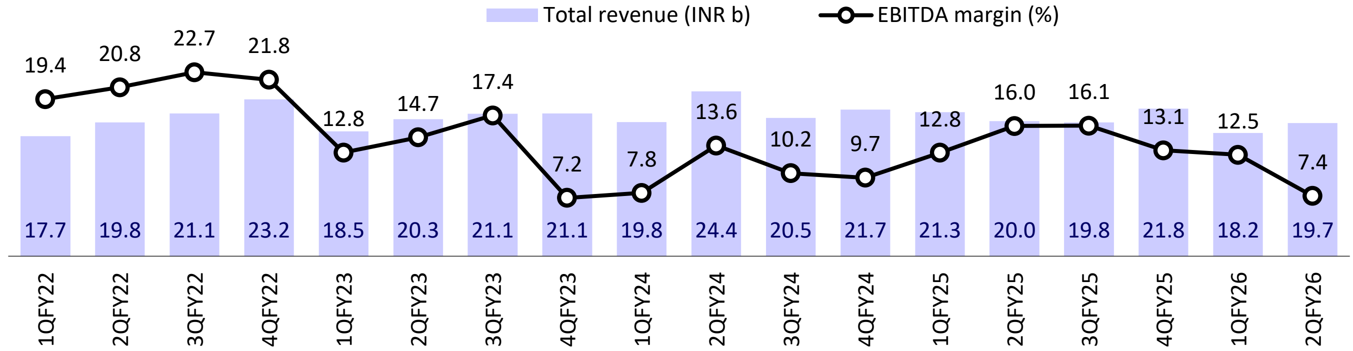


Exhibit 4: Overall ad revenue declined ~11% YoY in 2Q, driven by ~12% YoY dip in domestic ad revenue

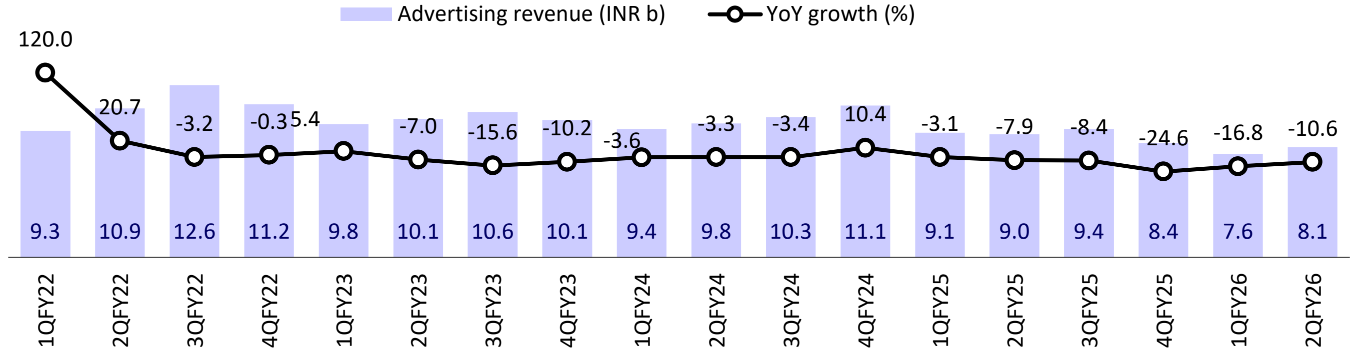


Exhibit 5: Overall subscription increased 6% YoY, Zee5 revenue grew 32% YoY

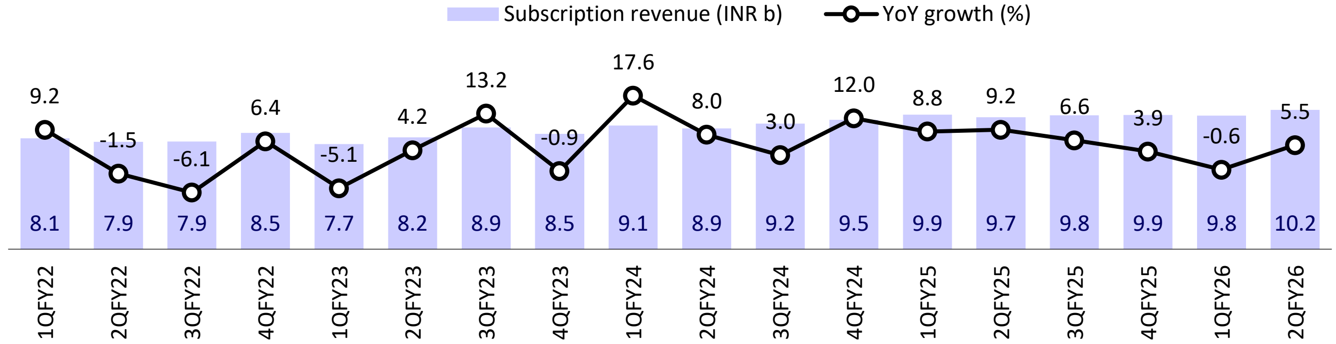
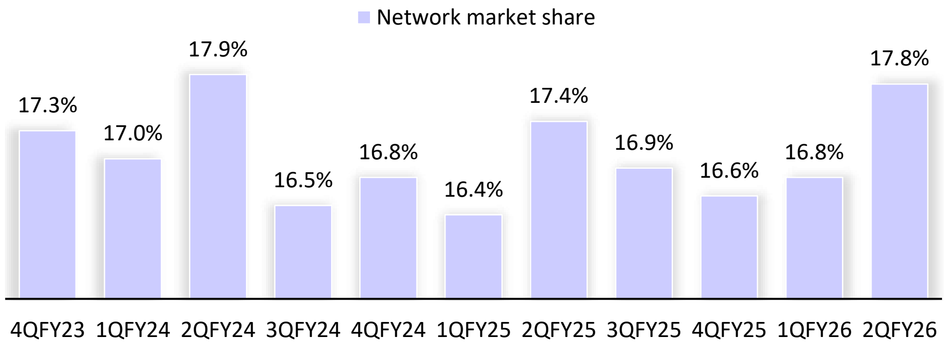
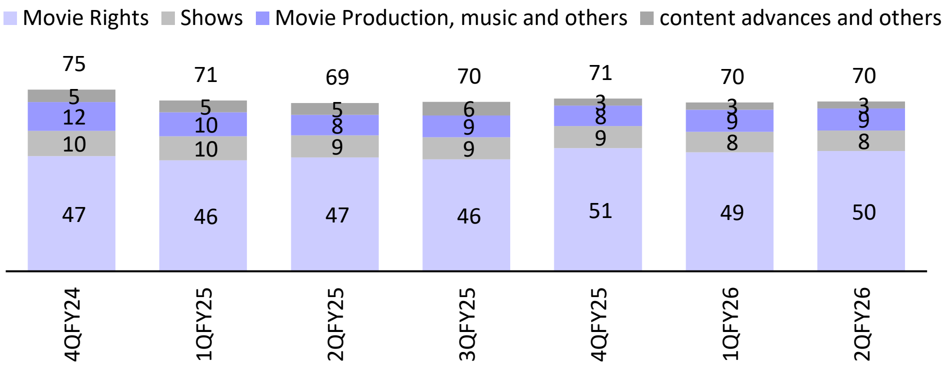


Exhibit 6: All-India market share improved by ~40bp YoY (+100bp QoQ)



Source: MOFSL, Company

Exhibit 7: Break-up of content inventory, advances, and deposits (INR b)



Source: Company, MOFSL

Exhibit 8: Zee5 revenue grew 32% YoY, operating losses continue to decline

ZEE5 KPIs (INR m)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
ZEE5 Revenue	**1,939**	**2,652**	**2,232**	**2,372**	**2,237**	**2,363**	**2,413**	**2,747**	**2,900**	**3,108**
as % of total revenue	10%	11%	11%	11%	10%	12%	12%	16%	16%	16%
ZEE5 Operating Costs	5,360	5,191	4,672	5,024	4,014	3,951	3,775	3,500	3,558	3,420
YoY growth	36%	22%	-2%	-5%	-25%	-24%	-19%	-30%	-11%	-13%
as % of total Costs	29%	26%	25%	26%	22%	24%	23%	18%	21%	19%
ZEE5 EBITDA	**(3,421)**	**(2,539)**	**(2,440)**	**(2,652)**	**(1,777)**	**(1,588)**	**(1,362)**	**(753)**	**(658)**	**(312)**

Source: Company, MOFSL

Exhibit 9: Key trends and assumptions for Zee

(INR b)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Consolidated											
Revenue	**66.9**	**79.3**	**81.3**	**77.3**	**81.9**	**80.9**	**86.4**	**82.9**	**82.4**	**86.7**	**91.1**
Advertising	42.0	50.4	46.8	37.5	44.0	40.6	40.6	35.9	34.6	36.6	38.6
Subscription	20.3	23.1	28.9	31.9	32.5	33.4	36.7	39.3	40.8	42.8	44.8
Others	4.5	5.9	5.6	7.9	5.5	6.9	9.1	7.8	6.9	7.3	7.7
EBITDA	**20.8**	**25.6**	**16.3**	**17.9**	**17.2**	**11.0**	**9.1**	**12.0**	**9.9**	**11.2**	**12.8**
Margin (%)	31.1	32.3	20.1	23.2	21.0	13.6	10.5	14.4	12.0	13.0	14.0
PAT	**14.0**	**15.8**	**9.4**	**10.7**	**10.5**	**4.6**	**4.3**	**7.9**	**6.3**	**7.2**	**8.4**
EPS	**15.4**	**16.3**	**5.5**	**8.3**	**10.0**	**2.6**	**2.1**	**7.2**	**6.6**	**7.5**	**8.8**
Zee5											
Revenue	**-**	**-**	**-**	**4.2**	**5.5**	**7.4**	**9.2**	**9.8**	**12.2**	**14.0**	**15.8**
EBITDA	-	-	-	(6.7)	(7.5)	(11.1)	(11.1)	(5.5)	(1.3)	0.8	2.5
Margin (%)	-	-	-	(160.5)	(137.1)	(149.1)	(120.2)	(56.1)	(10.8)	5.4	15.9
Ex-Zee5											
Revenue	**66.9**	**79.3**	**81.3**	**73.1**	**76.4**	**73.5**	**77.2**	**73.2**	**70.2**	**72.6**	**75.3**
EBITDA	20.8	25.6	16.3	24.6	24.7	22.1	20.1	17.4	11.2	10.5	10.3
Margin (%)	31.1	32.3	20.1	33.7	32.4	30.0	26.1	23.8	16.0	14.4	13.6

Financials and Valuations

Consolidated - Income Statement									(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**81,299**	**77,299**	**81,893**	**80,879**	**86,372**	**82,941**	**82,380**	**86,658**	**91,117**
Change (%)	2.5	-4.9	5.9	-1.2	6.8	-4.0	-0.7	5.2	5.1
Programming/Production expenses	38,285	37,505	40,449	44,686	50,393	45,172	45,132	47,372	49,532
Employees Cost	7,805	8,183	8,641	8,238	10,188	9,266	9,336	9,662	10,001
Other Expenses	18,863	13,710	15,582	16,944	16,719	16,541	18,018	18,379	18,812
Total Expenditure	**64,953**	**59,398**	**64,672**	**69,868**	**77,301**	**70,979**	**72,486**	**75,413**	**78,345**
% of Sales	79.9	76.8	79.0	86.4	89.5	85.6	88.0	87.0	86.0
EBITDA	**16,345**	**17,901**	**17,221**	**11,011**	**9,071**	**11,963**	**9,894**	**11,245**	**12,772**
Margin (%)	20.1	23.2	21.0	13.6	10.5	14.4	12.0	13.0	14.0
Depreciation	2,706	2,649	2,459	3,128	3,091	2,785	2,472	2,710	2,865
EBIT	**13,639**	**15,252**	**14,762**	**7,884**	**5,980**	**9,177**	**7,422**	**8,535**	**9,907**
Int. and Finance Charges	1,449	571	451	702	721	327	400	325	250
Other Income	2,836	1,104	1,213	797	1,292	1,234	1,200	1,400	1,600
Fair Value through P&L gain/(loss)	-2,597	-1,962	-37	58	38	159	235	0	0
PBT bef. EO Exp.	**12,430**	**13,823**	**15,487**	**8,037**	**6,590**	**10,243**	**8,457**	**9,610**	**11,257**
EO Items	-2,843	-1,266	-1,333	-3,355	-2,784	-986	0	0	0
PBT after EO Exp.	**9,587**	**12,558**	**14,154**	**4,682**	**3,806**	**9,257**	**8,457**	**9,610**	**11,257**
Total Tax	4,317	4,625	4,597	2,167	1,818	2,387	2,157	2,419	2,833
Tax Rate (%)	45.0	36.8	32.5	46.3	47.8	25.8	25.5	25.2	25.2
Minority Interest/Associate	5	-69	-89	1	-4	-4	0	0	0
Reported PAT	**5,265**	**8,002**	**9,646**	**2,514**	**1,992**	**6,874**	**6,300**	**7,191**	**8,424**
Adjusted PAT	**9,424**	**10,620**	**11,129**	**4,568**	**4,346**	**7,860**	**6,065**	**7,191**	**8,424**
Change (%)	-40.3	12.7	4.8	-59.0	-4.9	80.8	-22.8	18.6	17.1
Margin (%)	11.6	13.7	13.6	5.6	5.0	9.5	7.4	8.3	9.2

Consolidated - Balance Sheet									(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	961	961	961	961	961	961	961	961	961
Total Reserves	92,479	99,985	1,07,667	1,06,258	1,07,768	1,14,373	1,18,272	1,23,062	1,29,084
Net Worth	**93,439**	**1,00,945**	**1,08,627**	**1,07,219**	**1,08,729**	**1,15,334**	**1,19,232**	**1,24,022**	**1,30,044**
Minority Interest	110	129	0	0	0	0	0	0	0
Total Loans	6,476	4,028	556	2,820	2,303	3,209	2,709	2,209	1,709
Deferred Tax Liabilities	0	-1,207	-3,080	-4,229	-4,542	-4,101	-4,101	-4,101	-4,101
Capital Employed	**1,00,025**	**1,03,894**	**1,06,103**	**1,05,810**	**1,06,490**	**1,14,442**	**1,17,840**	**1,22,130**	**1,27,652**
Gross Block	19,799	21,870	30,164	29,644	31,174	31,966	33,966	35,966	37,966
Less: Accum. Deprn.	10,722	13,762	21,363	19,348	22,439	25,224	27,696	30,406	33,271
Net Fixed Assets	**9,077**	**8,108**	**8,801**	**10,296**	**8,736**	**6,742**	**6,270**	**5,560**	**4,695**
Goodwill on Consolidation	4,070	3,804	3,450	3,302	3,303	3,304	3,304	3,304	3,304
Capital WIP	832	782	871	191	98	14	14	14	14
Total Investments	**3,247**	**7,983**	**651**	**330**	**368**	**11,921**	**11,921**	**11,921**	**11,921**
Curr. Assets, Loans&Adv.	**1,06,511**	**1,06,303**	**1,10,636**	**1,18,723**	**1,17,451**	**1,11,259**	**1,18,942**	**1,24,873**	**1,32,188**
Inventory	53,475	54,030	63,862	73,079	69,129	67,748	64,916	64,894	67,852
Account Receivables	20,847	21,286	17,375	16,088	17,016	15,325	15,799	16,619	17,474
Cash and Bank Balance	7,345	10,907	12,733	8,040	11,932	12,500	21,300	25,553	28,139
Loans and Advances	24,845	20,080	16,666	21,516	19,374	15,686	16,927	17,806	18,723
Curr. Liability & Prov.	**23,712**	**23,086**	**18,306**	**27,032**	**23,465**	**18,798**	**22,610**	**23,541**	**24,469**
Account Payables	16,803	13,982	13,719	17,494	14,355	11,907	13,841	14,411	14,980
Other Current Liabilities	5,383	7,395	3,429	8,040	7,266	5,123	6,921	7,206	7,490
Provisions	1,526	1,709	1,159	1,498	1,844	1,768	1,848	1,924	2,000
Net Current Assets	**82,799**	**83,218**	**92,329**	**91,691**	**93,986**	**92,461**	**96,332**	**1,01,332**	**1,07,719**
Appl. of Funds	**1,00,025**	**1,03,894**	**1,06,103**	**1,05,810**	**1,06,490**	**1,14,442**	**1,17,841**	**1,22,131**	**1,27,653**

Financials and Valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS	**5.5**	**11.1**	**11.6**	**4.8**	**4.5**	**8.2**	**6.3**	**7.5**	**8.8**
Cash EPS	11.8	13.4	13.9	8.0	7.7	11.1	8.9	10.3	11.8
BV/Share	97.3	105.1	113.1	111.6	113.2	120.1	124.1	129.1	135.4
DPS	3.0	2.5	3.0	3.0	0.0	2.4	2.5	2.5	2.5
Payout (%)	54.7	30.0	29.9	114.6	0.0	34.0	38.1	33.4	28.5
Valuation (x)									
P/E	19.8	9.8	9.4	22.8	24.0	13.3	17.2	14.5	12.4
Cash P/E	9.2	8.1	7.8	13.5	14.0	9.8	12.2	10.5	9.2
P/BV	1.1	1.0	1.0	1.0	1.0	0.9	0.9	0.8	0.8
EV/Sales	1.2	1.2	1.1	1.2	1.1	1.0	0.9	0.8	0.7
EV/EBITDA	6.1	5.0	5.3	9.0	10.4	6.9	7.4	6.1	5.2
Dividend Yield (%)	2.8	2.3	2.8	2.8	0.0	2.2	2.3	2.3	2.3
FCF per share	1.1	14.3	0.4	-1.3	6.3	11.4	11.3	6.3	4.3
Return Ratios (%)									
RoE	10.3	10.9	10.6	4.2	4.0	7.0	5.2	5.9	6.6
RoCE	9.0	10.1	10.1	4.3	3.4	6.7	5.3	6.0	6.7
RoIC	9.0	11.1	11.3	4.5	3.3	7.4	6.3	7.5	8.6
Working Capital Ratios									
Fixed Asset Turnover (x)	4.1	3.5	2.7	2.7	2.8	2.6	2.4	2.4	2.4
Asset Turnover (x)	0.8	0.7	0.8	0.8	0.8	0.7	0.7	0.7	0.7
Inventory (Days)	240	255	285	330	292	298	288	273	272
Debtor (Days)	94	101	77	73	72	67	70	70	70
Creditor (Days)	75	66	61	79	61	52	61	61	60
Leverage Ratio (x)									
Current Ratio	4.5	4.6	6.0	4.4	5.0	5.9	5.3	5.3	5.4
Interest Cover Ratio	9.4	26.7	32.7	11.2	8.3	28.0	18.6	26.3	39.6
Net Debt/Equity	0.0	-0.1	-0.1	-0.1	-0.1	-0.2	-0.3	-0.3	-0.3

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	9,563	12,556	14,155	4,681	3,811	9,261	8,457	9,610	11,257
Depreciation	5,550	2,649	2,459	3,413	3,167	2,785	2,472	2,710	2,865
Interest & Finance Charges	135	104	226	707	724	296	400	325	250
Direct Taxes Paid	-3,114	-5,011	-4,965	-3,893	-2,401	-734	-2,157	-2,419	-2,833
(Inc)/Dec in WC	-16,758	809	-9,638	-2,722	3,418	739	4,928	-746	-3,802
CF from Operations	**-4,624**	**11,107**	**2,237**	**2,186**	**8,718**	**12,347**	**14,101**	**9,480**	**7,737**
Others	7,124	4,370	478	-896	-1,574	-487	-1,200	-1,400	-1,600
CF from Operating incl EO	**2,499**	**15,477**	**2,714**	**1,291**	**7,143**	**11,860**	**12,901**	**8,080**	**6,137**
(Inc)/Dec in FA	-1,451	-1,740	-2,286	-2,560	-1,087	-880	-2,000	-2,000	-2,000
Free Cash Flow	**1,048**	**13,737**	**429**	**-1,269**	**6,056**	**10,980**	**10,895**	**6,074**	**4,137**
(Pur)/Sale of Investments	3,163	-3,765	16,361	-553	75	-15,748	0	0	0
Others	1,451	-951	-8,219	1,212	496	5,070	1,200	1,400	1,600
CF from Investments	**3,163**	**-6,456**	**5,856**	**-1,900**	**-517**	**-11,558**	**-800**	**-600**	**-400**
Issue of Equity	-4,867	-4,027	-4,034	0	0	0	0	0	0
Inc/(Dec) in Debt	-12	4	9	-256	-1,204	2,217	-500	-500	-500
Interest Paid	-67	-43	-49	-80	-671	-120	-400	-325	-250
Dividend Paid	-5,227	-1,118	-2,850	-2,882	0	-961	-2,402	-2,402	-2,402
Others	-362	-275	180	-865	-860	-870	0	0	0
CF from Fin. Activity	**-10,535**	**-5,459**	**-6,745**	**-4,082**	**-2,735**	**266**	**-3,302**	**-3,227**	**-3,152**
Inc/Dec of Cash	**-4,873**	**3,561**	**1,826**	**-4,692**	**3,891**	**568**	**8,800**	**4,253**	**2,586**
Opening Balance	12,218	7,345	10,907	12,732	8,041	11,932	12,500	21,294	25,541
Closing Balance	**7,345**	**10,907**	**12,732**	**8,041**	**11,932**	**12,500**	**21,300**	**25,553**	**28,139**

NOTES

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SELL	< - 10%
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