

Zee Entertainment Enterprises Ltd.

NEUTRAL

Sector: Media

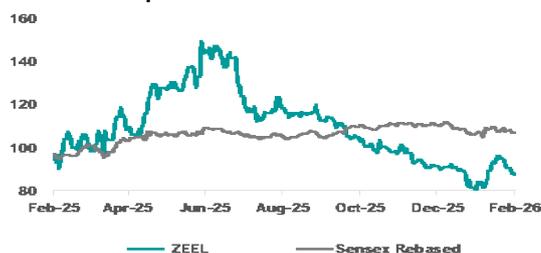
27th February, 2026

						Target	-
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 87
Small Cap	Z:IN	81,287	ZEEL	505537	12 Months	Return	-

Data as of: 27-Feb-2026, 17:00 hrs

Company Data			
Market Cap (Rs.cr)	8,397		
52 Week High — Low (Rs.)	152 - 78		
Enterprise Value (Rs. cr)	8,795		
Outstanding Shares (cr)	96.1		
Free Float (%)	95.3		
Dividend Yield (%)	2.8		
6m average volume (cr)	0.8		
Beta	1.5		
Face value (Rs.)	1.0		
Shareholding (%)	Q1FY26	Q2FY26	Q3FY26
Promoters	4.0	4.0	4.0
FII's	24.8	25.4	25.2
MFs/Institutions	16.9	14.0	12.1
Public	41.5	44.8	48.2
Others	12.8	11.8	10.5
Total	100.0	100.0	100.0
Promoter Pledge	5.4	5.4	5.4
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-11%	-26%	-10%
Absolute Sensex	-4%	3%	10%
Relative Return*	-7%	-29%	-20%

*over or under performance to benchmark index



Prolonged SEBI Investigation On Promoters Overhang

Zee Entertainment Enterprises Ltd (ZEEL), a subsidiary of Essel Group, is a mass media company with interests in television, print, films, mobile content, internet and allied businesses.

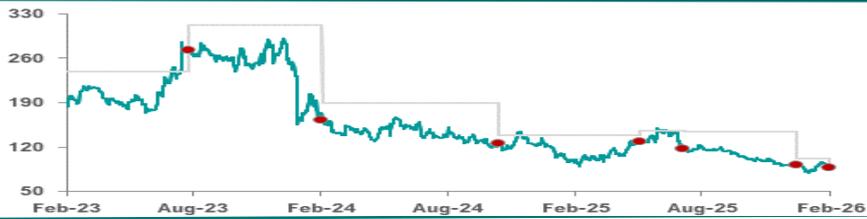
- SEBI issued a fresh show-cause notice on February 12, 2026 to ZEEL, its Chairman Emeritus Subhash Chandra, CEO Punit Goenka, and 84 other entities regarding alleged fund diversion and corporate governance lapses.
- The investigation focuses on the alleged use of ZEEL's fixed deposits to settle loans for related Essel Group companies through Yes Bank, involving an undisclosed 2018 Letter of Comfort.
- ZEEL has refuted all the allegations mentioned in the notice against itself and the members of the board named in the notice and plans to file a response and take legal steps to protect shareholder interests.
- We believe that, with the current promoters on board, investor confidence has been weighed down and any changes in it would lift the confidence.

Outlook & Valuation

The company maintains a dominant market share in the broadcasting space and is seeing margin improvement through aggressive cost-optimization. However, the recurring SEBI investigations and the recent show-cause notice issued to the promoters create a significant corporate governance overhang. With the promoter stake at a historical low of ~4%, the lack of skin-in-the-game coupled with legal uncertainty continues to erode investor sentiment and prevents a valuation re-rating. This creates a disproportionate risk for public shareholders, as any valuation decay impacts the majority public holding far more than the promoters. We wait for further clarity on the regulatory proceedings and a potential change in the promoter/ leadership structure. Therefore, **we adopt a cautious stance and assign a Neutral rating to the stock.**



Recommendation Summary (Last 3 years)



Dates	Rating	Target
23-Aug-22	BUY	309
24-Feb-23	HOLD	239
21-Aug-23	BUY	312
28-Feb-24	HOLD	189
07-Nov-24	ACCUMULATE	138
29-May-25	ACCUMULATE	146
01-Aug-25	BUY	144
09-Jan-26	ACCUMULATE	102
27-Feb-26	NEUTRAL	NA

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: ▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customer-care@geojit.com

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