

Zee Entertainment

Estimate changes

TP change

Rating change



Bloomberg	Z IN
Equity Shares (m)	961
M.Cap.(INRb)/(USDb)	181.2 / 2.2
52-Week Range (INR)	300 / 153
1, 6, 12 Rel. Per (%)	-24/-42/-36
12M Avg Val (INR M)	4104

Financials & Valuations (INR b)

Y/E Mar	FY23	FY24E	FY25E
Sales	80.9	85.1	95.7
EBITDA	11.0	8.5	12.2
Adj. PAT	4.6	4.5	6.5
EBITDA Margin (%)	13.6	10.0	12.8
Adj. EPS (INR)	4.8	4.7	6.8
EPS Gr. (%)	-59.0	-1.2	44.8
BV/Sh. (INR)	111.6	112.6	117.6

Ratios

Net D:E	-0.1	0.0	0.0
RoE (%)	4.2	4.2	5.9
RoCE (%)	4.3	4.7	6.1
Payout (%)	137.6	64.6	26.4

Valuations

P/E (x)	39.8	40.3	27.8
P/B (x)	1.7	1.7	1.6
EV/EBITDA (x)	16.0	21.1	14.9
Div . Yield (%)	1.6	0.8	0.8
FCF Yield (%)	-0.7	-1.4	-0.6

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	4.0	4.0	4.0
DII	43.6	42.2	37.5
FII	28.2	35.0	37.3
Others	24.2	21.8	21.2

FII Includes depository receipts

CMP: INR190

TP: INR200 (+6%)

Neutral

Weakness in ad revenues persists; recovery expected to be gradual

- Zee's revenue declined 3% YoY, led by continued weakness in ad spending within the FMCG segment and impact of cricket world cup led to EBITDA decline of 43% YoY (in-line). Adj. PAT (excl. extraordinary items) declined 30% YoY to INR924m.
- We have revised down our EBITDA/PAT estimates for FY25 by 8%/11%, on account of slower recovery within the ad revenues and higher opex. With the merger processes now being called off, the company's growth plans going ahead would remain a key monitorable. We reiterate our neutral stance on the stock with the target price of INR200/share.

EBITDA down 43% YoY (in line), dragged by lower revenues and higher opex

- Zee's consolidated revenues declined 3% YoY to INR20.5b (in line) as subscription growth was offset by a decline in ad revenues and other revenues.
 - Advertisement revenues continued to remain weak and declined 3% YoY to INR10.3b (in line), adversely impacted by the Cricket World Cup. While 3QFY24 saw some seasonal festive uptick, overall pace of ad environment recovery continues to be slow.
 - Subscription revenue grew 3% YoY to INR9.2b (in line), led by a pick-up in Linear subscription revenue, post NTO 3.0 & ZEE5. Adjusting for Siti Network revenue recognized in 3QFY23, the subscription revenue was up 10% YoY
 - Revenues from other sales and services declined 37% YoY, mainly due to lower number of releases during the quarter.
- Zee's total operating expenses grew 5.4% YoY to INR18.4b, due to higher programming and content cost.
- As a result, EBITDA declined 43% YoY to INR2.1b (in line). EBITDA margins contracted 720bp YoY to 10.2% (in line), dragged by revenue decline and higher opex.
- The company reported an exceptional loss of INR603m (vs. INR1.2b in 2QFY24), which pertained to employee and legal expenses of proposed Scheme of Arrangement.
- PAT stood at INR532m, down 7% YoY (miss), dragged by higher finance cost. PAT (adj. of exceptional items) declined 30% YoY to INR924m.

Highlights from the management commentary

- Ad revenues remained weak as the uptick from the festive period was offset by a shift toward cricket in 3QFY24; the company is seeing gradual improvement in ad spending from the FMCG segment.
- Expects 8-10% revenue CAGR with 18-20% EBITDA margins in stable macro profile by FY26; near-term margins may however see some impact due to the implementation of new plans.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Implemented a 6-8% price increase across the bouquet, contributing to revenue growth; expects the subscription revenue growth to range in the mid-to-high single digits going ahead.
- Expects the investment in the OTT segment to have peaked and expects the operating losses to narrow down.

Valuation and view

- The gradual recovery witnessed in Ad revenue with improving spends from FMCG segment appears to a silver lining. We expect the recovery to remain gradual, given the continued weakness seen within the rural segment.
- Outlook on subscription revenue, however, is expected to see **improved** visibility with the implementation of NTO 3.0.
- The improvement in profitability observed within the Zee5 segment is encouraging, especially considering its historical impact on overall profitability.
- With the merger process now being called off, it would be important to see the company's growth plans moving forward, particularly focusing on a) the recovery in the ad market, and b) decisions within the digital space.
- We have revised down our EBITDA/PAT estimates for FY25 by 8%/11% on the back of laggard recovery within the ad revenues. We maintain our target price on the stock at INR200/share after assigning 20x P/E on FY26E basis. We reiterate our Neutral stance on the stock.

Consolidated - Quarterly Earning

Y/E March	(INR m)											
	FY23				FY24E				FY23	FY24E	FY24	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		3QE	Est (%)	
Revenue	18,457	20,213	21,088	21,121	19,838	24,378	20,457	20,477	80,879	85,149	20,806	-1.7
YoY Change (%)	4.0	2.1	-0.2	-9.0	7.5	20.6	-3.0	-3.1	-1.2	5.3	-1.3	
Total Expenditure	16,100	16,737	17,427	19,604	18,289	21,050	18,365	18,919	69,868	76,623	18,680	-1.7
EBITDA	2,358	3,476	3,660	1,517	1,549	3,328	2,092	1,558	11,011	8,527	2,126	-1.6
EBITDA Margin (%)	12.8%	17.2%	17.4%	7.2%	7.8%	13.6%	10.2%	7.6%	13.6%	10.0%	10.2%	0
Depreciation	778	679	837	833	785	772	761	801	3,128	3,120	780	-2.4
Interest	81	95	130	396	234	234	183	212	702	863	282	-35.0
Other Income	338	169	148	142	145	718	276	362	797	1,500	140	97.1
Fair Value through P&L gain/(loss)	0	0	58	0	38	0			58	38	0	
PBT before EO expense	1,837	2,871	2,900	430	713	3,039	1,423	907	8,037	6,081	1,203	18.2
Extra-Ord expense	150	615	1,690	900	706	1,198	603	0	3,355	2,507	0	
PBT	1,687	2,255	1,210	-470	6	1,842	819	907	4,682	3,574	1,203	-31.9
Tax	621	648	637	260	-31	544	288	99	2,167	900	301	-4.3
Rate (%)	36.8	28.7	52.7	-55.3	-480.0	29.5	35.1	11.0	46.3	25.2	25.0	
MI & P/L of Asso. Cos.	-1	1	2	-1	-1	-1	-1	0	1	-3	0	
Reported PAT	1,066	1,606	570	-729	39	1,299	532	807	2,514	2,677	903	-41.0
Adj PAT	1,161	1,426	1,312	669	496	1,726	924	1,367	4,568	4,512	903	2.3
YoY Change (%)	-47	-50	-58	-77	-57	21	-30	104	-59	-1	-31	

E: MOFSL Estimates

Exhibit 1: Valuation based on P/E

Valuation	FY26E
EPS	10
PE multiple (x)	20
Target Price (INR)	200
CMP (INR)	190
Upside (%)	6%

Source: MOFSL, Company

OTT platform ZEE5 and other highlights:

- Zee5 revenue came in at INR2.2b (up 15% YoY), driven by improved subscription. EBITDA losses saw further contraction to INR2.4b, led by improved cost-control initiatives. **Adjusted for Zee5, linear TV business revenue/EBITDA declined 5%/30% YoY.**
- The company's network share improved 40bp on YTD basis and stood at 17.1%. 3QFY24 market share declined QoQ, adversely impacted by the Cricket World Cup.
- The cash & treasury investments of the company as of Dec'23 stood at INR8.3b, including Cash balance of INR6.2b and FDs of INR2.1b.

Explanation of Exceptional Costs:

- In 3QFY24, the company has accounted INR603m (~INR1.2b in 2QFY24) toward employee and legal expenses pertaining to proposed Scheme of merger arrangement. The overall amount for FY23 stood at INR1.8b.
- The company has filed an application before NCLT Mumbai, seeking direction to implement the scheme of merger, which was terminated by Culver max. The company continues to monitor the situation regarding claim made by Culver max on termination fees and believes it is not tenable. It does not expect any material adverse impact on the company and has made no adjustments accordingly.

Previous quarter impacts

- It received Show Cause Notice (SCN) from Indirect Tax Authorities regarding the availment of input tax credit under GST for INR1.7b. The company has made payments under protest, and it is pursuing legal recourse.
- Zee Studio (subsidiary) had been allotted a plot of land on lease for the purpose of construction of film studio by Rajasthan State Development Corp (RIICO), Jaipur. This lease was cancelled due to a construction-related dispute. It is taking necessary actions to seek relief and believes there is no impairment requirement.
- Zee has earlier taken an impairment of INR976m toward investments in Margo Networks Private Limited (Sugarbox). In 1QFY24, it had taken additional INR324m impairment charge. However, during the quarter, the company further sold 100% equity shares in Zee Unimedia Ltd.
- During earlier years, the company had provided commitments for funding shortfalls in Debt Service Reserve Account (DSRA guarantee) in relation to financial facilities availed from banks by Siti Networks Limited (SNL). The loan outstanding of SNL as on Dec 31, 2022 stood at INR 2b, which is backed by DSRA guarantee. **ZEEL reported exceptional expenses to the tune of INR592.7m for FY23 toward credit risk evaluation of SNL (related party), w.r.t. the Debt Service Reserve Account (DSRA guarantee) provided.**
- Further, in view of the overdues, the company has been recognizing billed subscription revenues to SNL on cash basis. **From 1QFY24 onwards, it has stopped providing broadcast service to Siti Network (except East) due to non-receipt of payment, and hence, the provision amount of INR592.7m as on Mar'23 is now considered adequate to cover any expected credit loss.**



- On matter pertaining to ATL Media Ltd (wholly owned subsidiary) entering into a Put Option agreement with Living Entertainment Limited, Mauritius (LEL), the **company believes that the Put Option Amendment Deed has been properly rescinded by the Company and is no longer binding and enforceable** against the Company and has a reasonable chance of success in this respect in the Amended plaint. **The auditors, during FY23, however have mentioned (Emphasis of Matter) EOM on this matter.**

Management commentary highlights

Key Highlights:

- Ad revenues remained weak as the uptick from the festive period was offset by a shift toward cricket in 3QFY24; the company is seeing gradual improvement in ad spending from the FMCG segment.
- Expects an 8-10% revenue CAGR with 18-20% EBITDA margins by FY26 in a stable macro profile. However, near-term margins may experience some impact due to the implementation of new plans.
- Implemented a 6-8% price increase across the bouquet, contributing to revenue growth; expects the subscription revenue growth to range in the mid-to-high single digits going ahead.
- Expects that investments in the OTT segment have reached their peak and expects operating losses to diminish.

Detailed Notes:

Financial and operating performance:

- Festive season trend was partially offset by the Cricket World Cup in terms of ad revenues.
- Ad spending by the FMCG segment saw improvement, resulting in sequential growth of revenues; however, this remained lower on a YoY basis
- The company is seeing some recovery in the last few months, while certain brands continue to see slower growth due to rural slowdown.
- The company implemented 6-8% ASP hike across its bouquet on a blended basis, resulting in ~3% revenue growth.
- Broadcasting business remained healthy as 78% of portfolio in 9MFY24 gained market share. Zee Marathi segment has seen improved share, aided by various initiatives undertaken.
- On an overall basis, the company gained 40bp network share on YTD basis and stood at 17.1%

Zee5:

- The company continued to grow at a healthy pace of 31% YoY in 9MFY24. The sequential decline in revenues was mainly due to syndication deal in 2QFY24.
- Prudent cost management led to narrowing down of QoQ losses within the segment.
- The company expects the investment in the OTT segment to have peaked and expects the operating losses to narrow down.

Way forward:

- The company, going forward, looks to achieve profitable growth by implementing a) frugality, b) cost optimization, and c) delivery of quality content.
- The company will look to improve value delivery for advertising partners, improved avenues for monetizing content, along with sharp focus on the delivery of quality content.
- The company anticipates a gradual recovery in margins starting from 2HFY25. Furthermore, it expects to achieve an 8-10% revenue CAGR with 18-20% EBITDA margins in a stable macro profile by FY26.
- The company expects some margin pressure in the near term, primarily attributed to the implementation of one-time costs for revised strategic plans.
- The company expects the subscription revenue growth to range in mid-to-high single digits.

Other highlights:

- Zee-Sony Merger:
 - The company's proposed merger was terminated by Sony via letter dated Jan 22, 2024.
 - The company has undertaken appropriate steps, including approaching NCLT for direction in forward matters.
- Ad revenues continued to remain weak due to weak macro conditions; however, the company is now seeing headwinds easing in the market, although the recovery is expected to be gradual.
- Zee studio released 6 movies (3 Hindi and 3 regional). The fewer number of releases in 3QFY24 led to a decline in 'other income' revenues in 3QFY24.
- Content Inventory, Advances, and Deposits declined in 3QFY24, driven by optimized acquisition.
- The company has not seen any attrition in the recent period; while there are no plans for any job cuts, the company will continue to monitor any overlaps in profiles across businesses.

Exhibit 2: Quarterly performance (INR m)

	3QFY23	2QFY24	3QFY24	YoY%	QoQ%	3QFY24E	v/s est (%)
Advertising revenue	10,638	9,792	10,274	-3.4	4.9	10,250	0.2
Subscription revenue	8,944	8,878	9,213	3.0	3.8	9,055	1.7
Other sales and services	1,530	5,708	970	-36.6	-83.0	1,501	-35.4
Total revenue	21,088	24,378	20,457	-3.0	-16.1	20,806	-1.7
Total operating expenses	17,427	21,050	18,365	5.4	-12.8	18,680	-1.7
EBITDA	3,660	3,328	2,092	-42.9	-37.1	2,126	-1.6
EBITDA margin (%)	17.4	13.6	10.2	-713bp	-342bp	10.2	1bp
Depreciation	837	772	761	-9.0	-1.4	780	-2.4
Finance Cost	130	234	183	41.3	-22	282	-35
Other income	148	718	276	86.3	-61.6	140	97.1
Fair Value gain/(loss) through P&L	58	0	0	NM	NM	0	NM
PBT	2,900	3,039	1,423	-50.9	-53.2	1,203	18.2
Exceptional item gain/(loss)	-1,690	-1,198	-603	NM	NM	0	NM
Reported PBT	1,210	1,842	819	-32.3	-55.5	1,203	-32
Tax	637	544	288	-54.8	-47.0	301	-4
Effective Tax Rate (%)	52.7	29.5	35.1			25.0	
Reported PAT	572	1,298	531	-7	-59	903	-41
Associates/Minority Interest	2	-1	-1	-145	25	0	
Reported PAT (after Asso./MI)	570	1,299	532	-7	-59	903	-41
Adjusted PAT	1,312	1,726	924	-30	-46	903	2

Source: MOFSL, Company

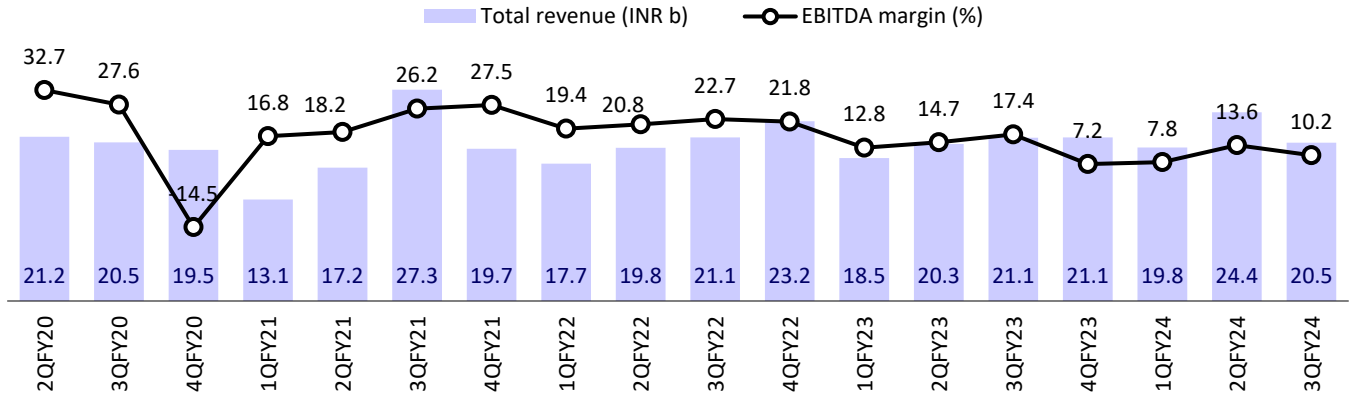
Exhibit 3: Summary of estimate change (INR b)

	FY24E	FY25E
Ad revenue (INR b)		
Old	40.3	46.6
Actual/New	39.5	45.6
Change (%)	-2.1	-2.0
Subscription revenue (INR b)		
Old	36.2	39.2
New	36.5	39.5
Change (%)	0.8	0.8
Total revenue (INR b)		
Old	86.6	97.3
New	85.1	95.7
Change (%)	-1.7	-1.7
EBITDA (INR b)		
Old	9.5	13.4
New	8.5	12.2
Change (%)	-10.2	-8.4
EBITDA margin (%)		
Old	11.0	13.7
New	10.0	12.8
Change (bp)	-94.9	-92.9
PAT (INR b)		
Old	3.4	7.4
New	2.7	6.5
Change (%)	-21.1	-11.3
EPS (INR)		
Old	5.0	7.7
New	4.7	6.8
Change (%)	-5.5	-11.3

Source: MOFSL, Company

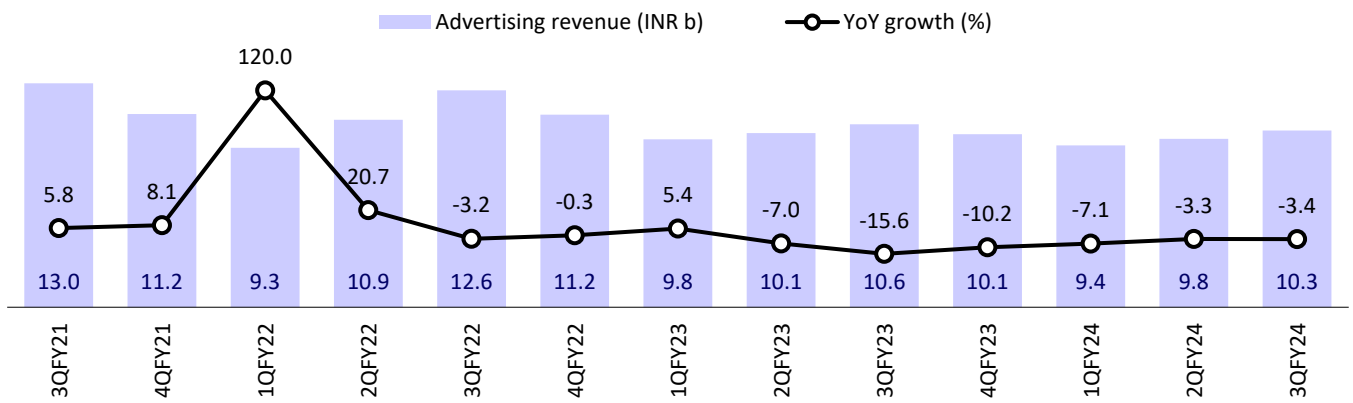
Story in charts

Exhibit 4: Consol. revenue declined 3% YoY with margins at 10.2% (INR b, %)



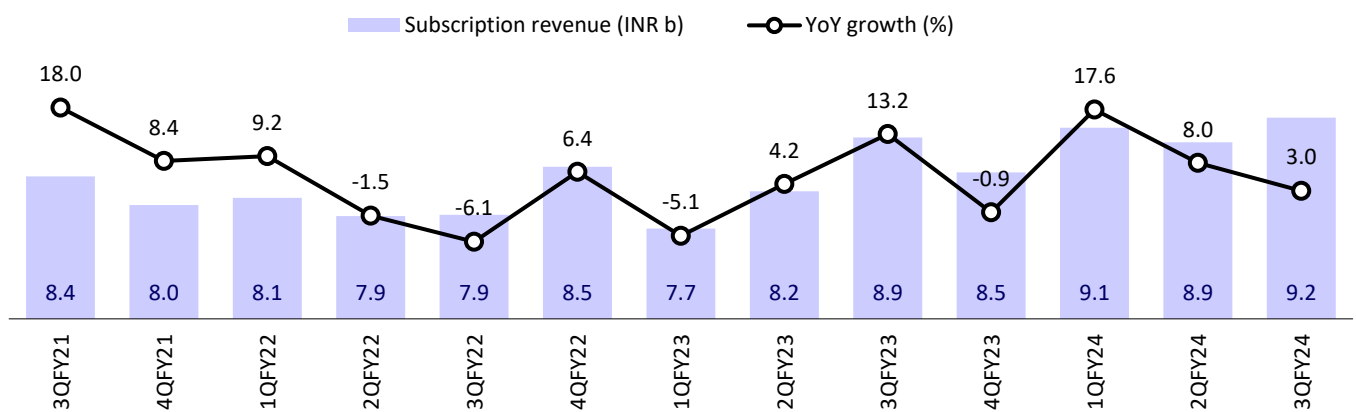
Source: Company, MOFSL

Exhibit 5: Total ad revenue declined 3.4% YoY (INR b, %)

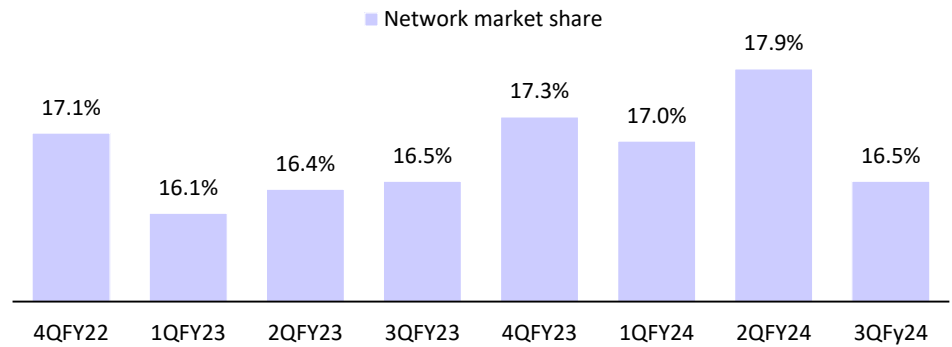


Source: Company, MOFSL

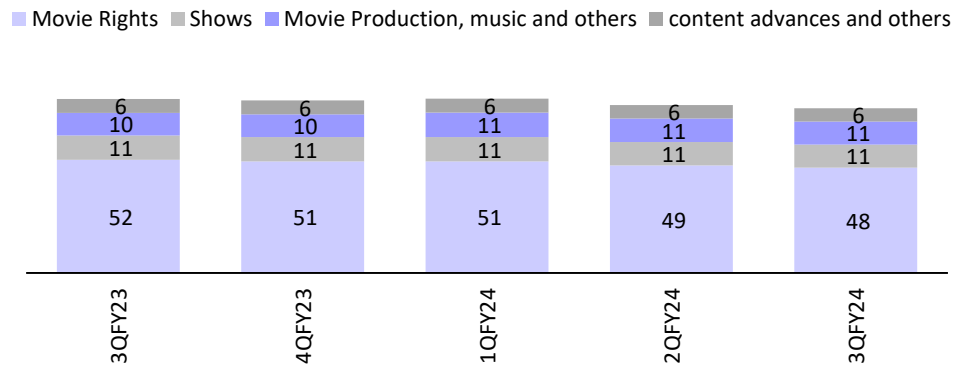
Exhibit 6: Total subscription grew 3% YoY (INR b, %)



Source: Company, MOFSL

Exhibit 7: Market share contracted sequentially; adversely impacted by Cricket World Cup

Source: MOFSL, Company

Exhibit 8: Break-up of content inventory, advances and deposits (INR b)

Source: Company, MOFSL

Exhibit 9: ZEE5 KPIs (INRm)

ZEE5 KPIs	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
DAUs (m)	9.6	10.5	11.3	11	11.5	11.1	0	0	0
MAUs (m)	101.9	104.8	103.3	112	119.5	113.8	0	0	0
Avg watch time (mnts/month)	201	214	196	198	169	229	0	0	0
Revenue (INR m)	1459	1614	1597	1671	1943	2200	1939	2652	2232
as % of total revenue	7%	7%	9%	8%	9%	10%	10%	11%	11%
ZEE5 Operating Costs	3287	3566	3949	4440	4763	5309	5360	5421	4672
YoY growth	12%	32%	25%	47%	45%	49%	36%	22%	-2%
as % of total Costs	20%	20%	25%	26%	27%	27%	29%	26%	25%
ZEE5 EBITDA	-1828	-1952	-2352	-2769	-2820	-3109	-3421	-2769	-2440

Source: Company, MOFSL

Financials and Valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Total Income from Operations	79,339	81,299	77,299	81,893	80,879	85,149	95,686	1,07,670
Change (%)	18.7	2.5	-4.9	5.9	-1.2	5.3	12.4	12.5
Programming/Production expenses	30,758	38,285	37,505	40,449	44,686	49,613	54,583	60,023
Employees Cost	7,249	7,805	8,183	8,641	8,238	10,133	10,538	10,959
Other Expenses	15,692	18,863	13,710	15,582	16,944	16,877	18,324	19,902
Total Expenditure	53,700	64,953	59,398	64,672	69,868	76,623	83,445	90,885
% of Sales	67.7	79.9	76.8	79.0	86.4	90.0	87.2	84.4
EBITDA	25,639	16,345	17,901	17,221	11,011	8,527	12,241	16,785
Margin (%)	32.3	20.1	23.2	21.0	13.6	10.0	12.8	15.6
Depreciation	2,347	2,706	2,649	2,459	3,128	3,120	4,007	4,307
EBIT	23,292	13,639	15,252	14,762	7,884	5,406	8,234	12,477
Int. and Finance Charges	1,304	1,449	571	451	702	863	500	500
Other Income	2,515	2,836	1,104	1,213	797	1,500	1,000	1,000
Fair Value through P&L gain/(loss)	36	-2,597	-1,962	-37	58	38	0	0
PBT bef. EO Exp.	24,538	12,430	13,823	15,487	8,037	6,081	8,734	12,977
EO Items	-218	-2,843	-1,266	-1,333	-3,355	-2,507	0	0
PBT after EO Exp.	24,320	9,587	12,558	14,154	4,682	3,574	8,734	12,977
Total Tax	8,673	4,317	4,625	4,597	2,167	900	2,198	3,266
Tax Rate (%)	35.7	45.0	36.8	32.5	46.3	25.2	25.2	25.2
Minority Interest/Associate	-23	5	-69	-89	1	-3	-3	-3
Reported PAT	15,671	5,265	8,002	9,646	2,514	2,677	6,538	9,714
Adjusted PAT	15,775	9,424	10,620	11,129	4,568	4,515	6,538	9,714
Change (%)	12.7	-40.3	12.7	4.8	-59.0	-1.2	44.8	48.6
Margin (%)	19.9	11.6	13.7	13.6	5.6	5.3	6.8	9.0

Consolidated - Balance Sheet								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	961	961	961	961	961	961	961	961
Total Reserves	88,279	92,479	99,985	1,07,667	1,06,258	1,07,206	1,12,016	1,20,000
Net Worth	89,239	93,439	1,00,945	1,08,627	1,07,219	1,08,167	1,12,976	1,20,961
Minority Interest	143	110	129	0	0	0	0	0
Total Loans	11,134	6,476	4,028	556	2,820	3,320	3,820	4,320
Deferred Tax Liabilities	1,262	0	-1,207	-3,080	-4,229	-4,229	-4,229	-4,229
Capital Employed	1,01,778	1,00,025	1,03,894	1,06,103	1,05,810	1,07,258	1,12,567	1,21,052
Gross Block	17,299	19,799	21,870	30,164	29,644	32,144	34,644	37,144
Less: Accum. Deprn.	8,406	10,722	13,762	21,363	19,348	22,468	26,475	30,783
Net Fixed Assets	8,893	9,077	8,108	8,801	10,296	9,676	8,168	6,361
Goodwill on Consolidation	5,252	4,070	3,804	3,450	3,302	3,302	3,302	3,302
Capital WIP	1,561	832	782	871	191	191	191	191
Total Investments	9,765	3,247	7,983	651	330	330	330	330
Curr. Assets, Loans&Adv.	1,03,859	1,06,511	1,06,303	1,10,636	1,18,723	1,27,982	1,38,101	1,52,005
Inventory	38,505	53,475	54,030	63,862	73,079	81,137	89,264	98,161
Account Receivables	18,274	20,847	21,286	17,375	16,088	20,996	22,283	25,074
Cash and Bank Balance	12,218	7,345	10,907	12,733	8,040	4,853	2,960	2,222
Loans and Advances	34,861	24,845	20,080	16,666	21,516	20,996	23,594	26,549
Curr. Liability & Prov.	27,552	23,712	23,086	18,306	27,032	34,222	37,525	41,137
Account Payables	14,897	16,803	13,982	13,719	17,494	18,217	19,975	21,897
Other Current Liabilities	11,204	5,383	7,395	3,429	8,040	14,573	15,980	17,518
Provisions	1,451	1,526	1,709	1,159	1,498	1,433	1,571	1,722
Net Current Assets	76,307	82,799	83,218	92,329	91,691	93,760	1,00,576	1,10,868
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	1,01,778	1,00,025	1,03,894	1,06,103	1,05,810	1,07,258	1,12,567	1,21,052

E: MOFSL Estimates

Financials and Valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)								
EPS	16.4	5.5	11.1	11.6	4.8	4.7	6.8	10.1
Cash EPS	17.8	11.8	13.4	13.9	8.0	8.0	11.0	14.6
BV/Share	92.9	97.3	105.1	113.1	111.6	112.6	117.6	125.9
DPS	3.5	3.0	2.5	3.0	3.0	1.5	1.5	1.5
Payout (%)	25.7	65.7	36.0	35.8	137.6	64.6	26.4	17.8
Valuation (x)								
P/E	11.5	34.6	17.1	16.4	39.8	40.3	27.8	18.7
Cash P/E	10.6	16.1	14.2	13.7	23.7	23.8	17.3	13.0
P/BV	2.0	1.9	1.8	1.7	1.7	1.7	1.6	1.5
EV/Sales	2.2	2.2	2.2	2.1	2.2	2.1	1.9	1.7
EV/EBITDA	6.7	10.9	9.3	9.8	16.0	21.1	14.9	10.9
Dividend Yield (%)	1.8	1.6	1.3	1.6	1.6	0.8	0.8	0.8
FCF per share	-1.5	1.1	14.3	0.4	-1.3	-2.7	-1.2	0.0
Return Ratios (%)								
RoE	19.1	10.3	10.9	10.6	4.2	4.2	5.9	8.3
RoCE	17.4	9.0	10.1	10.1	4.3	4.7	6.1	8.3
RoIC	21.6	9.0	11.1	11.3	4.5	4.1	5.8	8.2
Working Capital Ratios								
Fixed Asset Turnover (x)	4.6	4.1	3.5	2.7	2.7	2.6	2.8	2.9
Asset Turnover (x)	0.8	0.8	0.7	0.8	0.8	0.8	0.9	0.9
Inventory (Days)	177	240	255	285	330	348	341	333
Debtor (Days)	84	94	101	77	73	90	85	85
Creditor (Days)	69	75	66	61	79	78	76	74
Leverage Ratio (x)								
Current Ratio	3.8	4.5	4.6	6.0	4.4	3.7	3.7	3.7
Interest Cover Ratio	17.9	9.4	26.7	32.7	11.2	6.3	16.5	25.0
Net Debt/Equity	-0.1	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.0

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	24,345	9,563	12,556	14,155	4,681	3,574	8,734	12,977
Depreciation	2,565	5,550	2,649	2,459	3,413	3,120	4,007	4,307
Interest & Finance Charges	139	135	104	226	707	863	500	500
Direct Taxes Paid	-9,299	-3,114	-5,011	-4,965	-3,893	-900	-2,198	-3,266
(Inc)/Dec in WC	-17,151	-16,758	809	-9,638	-2,722	-5,255	-8,710	-11,031
CF from Operations	599	-4,624	11,107	2,237	2,186	1,403	2,333	3,488
Others	734	7,124	4,370	478	-896	-1,497	-997	-997
CF from Operating incl EO	1,333	2,499	15,477	2,714	1,291	-94	1,336	2,490
(Inc)/Dec in FA	-2,814	-1,451	-1,740	-2,286	-2,560	-2,500	-2,500	-2,500
Free Cash Flow	-1,481	1,048	13,737	429	-1,269	-2,594	-1,164	-10
(Pur)/Sale of Investments	5,930	3,163	-3,765	16,361	-553	0	0	0
Others	1,316	1,451	-951	-8,219	1,212	1,500	1,000	1,000
CF from Investments	4,432	3,163	-6,456	5,856	-1,900	-1,000	-1,500	-1,500
Issue of Equity	0	-4,867	-4,027	-4,034	0	0	0	0
Inc/(Dec) in Debt	-4,876	-12	4	9	-256	500	500	500
Interest Paid	-54	-67	-43	-49	-80	-863	-500	-500
Dividend Paid	-4,734	-5,227	-1,118	-2,850	-2,882	-1,730	-1,729	-1,729
Others	0	-362	-275	180	-865	0	0	0
CF from Fin. Activity	-9,664	-10,535	-5,459	-6,745	-4,082	-2,093	-1,729	-1,729
Inc/Dec of Cash	-3,899	-4,873	3,561	1,826	-4,692	-3,187	-1,893	-739
Opening Balance	16,117	12,218	7,345	10,907	12,732	8,041	4,853	2,960
Closing Balance	12,218	7,345	10,907	12,732	8,041	4,853	2,960	2,222

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