

Zee Entertainment

Estimate changes	↔
TP change	↔
Rating change	↔

CMP: INR141

TP: INR160 (+14%)

Neutral

Bloomberg	Z IN
Equity Shares (m)	961
M.Cap.(INRb)/(USD\$b)	135.3 / 1.6
52-Week Range (INR)	300 / 129
1, 6, 12 Rel. Per (%)	-5/-57/-48
12M Avg Val (INR M)	4443

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	86.4	95.5	107.7
EBITDA	9.1	12.2	17.0
Adj. PAT	4.3	7.0	10.3
EBITDA Margin (%)	10.5	12.7	15.8
Adj. EPS (INR)	4.5	7.3	10.7
EPS Gr. (%)	-4.9	61.5	47.1
BV/Sh. (INR)	113.2	118.7	127.7

Ratios

Net D:E	-0.1	-0.1	-0.1
RoE (%)	4.0	6.3	8.7
RoCE (%)	3.4	6.4	8.7
Payout (%)	0.0	24.6	16.7

Valuations

P/E (x)	31.2	19.3	13.1
P/B (x)	1.2	1.2	1.1
EV/EBITDA (x)	13.8	10.0	6.9
Div. Yield (%)	0.0	1.1	1.1
FCF Yield (%)	4.8	4.3	4.5

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	4.0	4.0	4.0
DII	35.6	43.6	38.2
FII	19.2	28.2	36.4
Others	41.3	24.2	21.4

FII Includes depository receipts

Ad revenue rebounds; recovery to remain gradual

- Zee's revenue grew 10% YoY (8% beat) in 4QFY24, led by a recovery in FMCG ad spending. Accordingly, EBITDA/adj. PAT were up 39%/58% YoY (big beat), aided by cost control.
- The management expects a recovery in ad revenue in FY25 and improvement in margins, which we have already factored into our estimates of a revenue/EBITDA CAGR of 12%/37% over FY24–26. As a result, we largely maintain our revenue/EBITDA estimates for FY25–26. With the merger process now being called off, the company's future growth plans would remain the key monitorable. We maintain our Neutral rating on the stock with a target price of INR160/share.

Revenue up 10% YoY (8% beat) led by FMCG ad revenues

- Zee's consolidated revenue grew 10% YoY to INR21.7b (8% beat), led by advertising revenues.
 - Advertising revenues grew 10% YoY to INR11.1b (16% beat), led by a recovery in the macro advertising environment and a pickup in spending by FMCG clients.
 - Subscription revenue grew 12% YoY to INR9.5b (in line), driven by a pickup in linear subscription revenue post NTO 3.0 and ZEE5.
 - Revenues from other sales and services declined 57% YoY, mainly due to a fewer releases during the quarter.
- Zee's total operating expenses were flat YoY at INR19.6b, led by controlled programming and content costs.
- As a result, EBITDA increased 39% YoY to INR2.1b (80% beat) and margins improved 250bp YoY to 9.7% (390bp beat).
- ZEE5 revenue came in at INR2.4b (8% YoY), driven by improved subscription. EBITDA losses stood at INR2.7b. Adjusted for ZEE5, linear TV business revenue/EBITDA grew 2%/3% YoY.
- The company reported an exceptional loss of INR276m, attributed to merger-related employee expenses and restructuring costs.
- PAT stood at INR122m (vs. loss of INR729m YoY). PAT (adj. for exceptional items) stood at INR1.06b (vs. INR669m in 4QFY23).
- FY24 revenue grew by 7% and EBITDA/PAT declined 18%/21% YoY. EBITDA margin impacted by investments in content and technology.
- The company recommended a dividend of INR1.

Highlights from the management commentary

- **Recovery in FY25:** In FY25, the company expects a gradual recovery in revenues, driven by FMCG spending, expectation of normal monsoon and rural recovery. In FY26, ZEE aspires to deliver 18-20% EBITDA margin.
- **Could see impact in 1QFY25:** For 1HFY25, the company expects 1QFY25 to see one-time higher costs, which could reduce margins" to "For 1HFY25, the company expects 1QFY25 to see one-time higher costs, which could soften the margins.

- **No M&A plan:** The company has withdrawn its merger implementation application from the NCLT. The company is not planning to merge with any other entity.
- **Slowdown in ZEE5 buying content:** There is a slowdown in content purchasing, but the company will deploy capital back into ZEE5 once it improves.” to “Expected to slow down in content purchase and will deploy capital back into ZEE5 once it improves.

Valuation and view

- Positively, there seems to be a resurgence in ad revenue due to increased spending by FMCG companies. We expect the recovery to remain gradual given the continued weakness in the rural segment and IPL in 1QFY25.
- The outlook on subscription revenue is expected to improve with the implementation of NTO 3.0.
- The improvement in profitability in ZEE5 is positive after remaining a drag for a long period. The management expects EBITDA margin to improve to 18-20% in FY26.
- With the merger process now being called off, it would be important to see the company’s growth plans from hereon, with the focus remaining on a recovery in the ad market and decision about its digital platform.
- The management expects a recovery in ad revenue in FY25 and improvement in margins, which we have already factored into our estimates of revenue/EBITDA CAGRs of 12%/37% over FY24-26. As a result, we broadly keep our revenue/EBITDA estimates unchanged for FY25/FY26, building in a gradual recovery in ad revenues and margins. We maintain our Neutral rating and a TP of INR160/share, based on 15x FY26E EPS.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24E				FY23	FY24	FY24	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue	18,457	20,213	21,088	21,121	19,838	24,378	20,457	21,699	80,879	86,372	20,090	8.0
YoY Change (%)	4.0	2.1	-0.2	-9.0	7.5	20.6	-3.0	2.7	-1.2	6.8	-4.9	
Total Expenditure	16,100	16,737	17,427	19,604	18,289	21,050	18,365	19,597	69,868	77,301	18,919	3.6
EBITDA	2,358	3,476	3,660	1,517	1,549	3,328	2,092	2,102	11,011	9,071	1,172	79.5
EBITDA Margin (%)	12.8%	17.2%	17.4%	7.2%	7.8%	13.6%	10.2%	9.7%	13.6%	10.5%	5.8%	66
Depreciation	778	679	837	833	785	772	761	772	3,128	3,091	770	0.2
Interest	81	95	130	396	234	234	183	69	702	721	212	-67.4
Other Income	338	169	148	142	145	718	276	154	797	1,292	302	-49.1
Fair Value through P&L gain/(loss)	0	0	58	0	38	0	0	0	58	38	0	
PBT before EO expense	1,837	2,871	2,900	430	713	3,039	1,423	1,415	8,037	6,590	491	188.1
Extra-Ord expense	150	615	1,690	900	706	1,198	603	-276	3,355	2,784	0	
PBT	1,687	2,255	1,210	-470	6	1,842	819	1,691	4,682	3,806	491	244.3
Tax	621	648	637	260	-31	544	288	1,018	2,167	1,818	-4	
Rate (%)	36.8	28.7	52.7	-55.3	-480.0	29.5	35.1	60.2	46.3	47.8	-0.9	
MI & P/L of Asso. Cos.	-1	1	2	-1	-1	-1	-1	-1	1	-4	0	
Reported PAT	1,066	1,606	570	-729	39	1,299	532	674	2,514	1,992	496	36.1
Adj PAT	1,161	1,426	1,312	669	496	1,726	1,065	1,059	4,568	4,346	496	113.7
YoY Change (%)	-47	-50	-58	-77	-57	21	-19	58	-59	-5	-26	

E: MOFSL Estimates

Exhibit 1: Valuation based on P/E

Valuation	FY26E
EPS	10.3
PE multiple (x)	15
Target Price (INR)	160
CMP (INR)	141
Upside (%)	14%

Source: MOFSL, Company

Previous quarter impacts

- The SEBI passed an ex-parte **interim order against one of the KMP**. On Oct'23, the Hon'ble SAT set aside the order passed by the SEBI granting relief to the KMP. With respect to the ongoing enquiry by the SEBI, a writ petition challenging the enquiry was filed by an ex-director against SEBI during the quarter, wherein the company is impleaded as a respondent. The company filed its reply to the writ petition. The final adjudication of the petition is pending. On 23rd Feb'24, the company constituted an "Independent Investigating Committee" headed by and under the chairmanship of a former judge of the Allahabad High Court to review the allegation against the company.
- During 4QFY24, **Star initiated arbitration** proceedings against the company through its Notice of Arbitration dated 14th Mar'24 (Arbitration Notice), by which it sought specific performance of the Alliance agreement by ZEE or in the alternative compensate for Star for damages suffered, which have not been quantified. The company has taken necessary steps to defend Star's claim in the Arbitration.
 - Star alleging breach of the Alliance agreement on account of non-payment of dues for the rights in relation to first instalment of the rights fee aggregating to USD203.56m (INR16.9b) along-with the payment for bank guarantee commission and deposit interest aggregating INR170m and

financial commitments including furnishing of corporate guarantee/ confirmation as stated in the Alliance agreement.

- The company has already communicated to Star that the Alliance Agreement cannot be proceeded with for the reasons set out above and has also sought a refund of INR685m paid to Star.
- 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 have mentioned (Emphasis of Matter) EOM on this matter.
- It received Show Cause Notice (SCN) from Indirect Tax Authorities related to availment of input tax credit under GST for INR1.7b. The company has made payments under protest but has sought legal recourse.
- Zee Studio (subsidiary) had been allotted 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 construction related dispute. It is taking necessary action to seek relief and believes there is no impairment requirement.



Management commentary highlights

Guidance

- The company expects the near-term outlook of the industry to be growth-oriented on the back of rising content consumption and improving infrastructure, resulting in accessibility and affordability.
- For 1HFY25, the company expects 1QFY25 to see one-time higher costs, which could reduce margins. From 2QFY25, ZEE expects a gradual margin improvement to kick in.
- In FY25, the company expects a gradual revenue recovery, driven by FMCG spending, expectation of normal monsoon and rural recovery. From FY26, the company aspires to deliver 18-20% EBITDA margin.
- The industry is growing in high single-digits for both subscription and advertising.

M&A

- The company has withdrawn its merger implementation application from the NCLT.
- It will continue to pursue the arbitration proceedings at the Singapore International Arbitration Center.
- The company is not planning to merge with any other entity.

Macro Environment

- The macroeconomic environment and other factors were headwinds for the company in FY24. However, 4QFY24 witnessed demand recovery.
- The FMCG sector has been recovering, with the rural sentiment witnessing an uptick in advertising revenue.
- The company expects a recovery in revenues in FY25, driven by increased FMCG spending in 4QFY24, expectation of normal monsoon, and rural recovery.
- The company has implemented competitively pricing packages for advertisers during the ongoing cricket season, which saw a good response.

Subscription revenue

- ZEE said the NTO 3.0 implementation and tariff forbearance would strengthen the Pay TV ecosystem and pave way for sustainable growth in subscription revenues.

Zee5

- Pricing strategy is competitive with others in the market. Eventually there is a room for pricing growth.
- The company remains confident in the potential of ZEE5. It is operating at its peak cost structure and expects overall costs to trend down as the company concludes the streamlining process.

Cost structure

- In FY24, the company has made strategic investments in business across content marketing and technology, leading to a 10.6% YoY increase in overall operating costs.
- In 4QFY24, operating cost base remained steady, while it saw some uptick QoQ due to ZEE5 and Sports.

Exhibit 2: Quarterly performance (INR m)

Quarterly performance (INR m)	4QFY23	3QFY24	4QFY24	YoY%	QoQ%	4QFY24E	v/s est (%)
Advertising revenue	10,058	10,274	11,102	10.4	8.1	9,597	15.7
Subscription revenue	8,474	9,213	9,494	12.0	3.1	9,324	1.8
Other sales and services	2,589	970	1,103	-57.4	13.7	1,170	-5.7
Total revenue	21,121	20,457	21,699	2.7	6.1	20,090	8.0
Total operating expenses	19,604	18,365	19,597	0.0	6.7	18,919	3.6
EBITDA	1,517	2,092	2,102	38.6	0.5	1,172	79.5
EBITDA margin (%)	7.2	10.2	9.7	251bp	-54bp	5.8	386bp
Depreciation	833	761	772	-7.4	1.4	770	0.2
Finance Cost	396	183	69	-82.6	-62	212	-67
Other income	142	276	154	7.9	-44.3	302	-49.1
PBT	430	1,423	1,415	229.2	-0.5	491	188.1
Exceptional item gain/(loss)	-900	-603	-276	NM	NM	0	NM
Reported PBT	-470	819	1,139	-342.4	39.0	491	132
Tax	260	288	1,018	291.5	253.4	-4	-23,604
<i>Effective Tax Rate (%)</i>	-55.3	35.1	89.4			-0.9	
Reported PAT	-730	531	121	-117	-77	496	-76
Associates/Minority Interest	-1	-1	-1	-22	-30	0	
Reported PAT (after Asso./MI)	-729	532	122	-117	-77	496	-75
Adjusted PAT	669	1,065	1,059	58	-1	496	114
Operating expenses (INR m)	4QFY23	3QFY24	4QFY24	YoY%	QoQ%	4QFY24E	v/s est (%)
Prog, Transmission & Direct Exp	13,222	11,876	12,830	-3.0	8.0	12,050	6.5
Employee Cost	2,154	2,442	2,552	18.4	4.5	2,496	2.2
Selling and Other Exp	4,228	4,047	4,215	-0.3	4.1	4,372	-3.6
Total operating costs	19,604	18,365	19,597	0.0	6.7	18,919	3.6

Source: MOFSL, Company

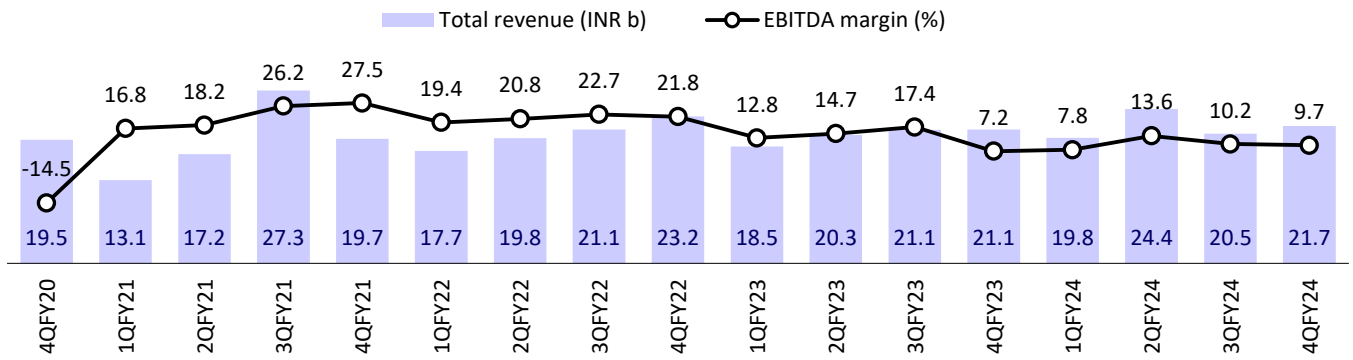
Exhibit 3: Summary of estimate change (INR b)

	FY25E	FY26E
Ad revenue (INR b)		
Old	45.2	52.2
Actual/New	45.3	52.4
<i>Change (%)</i>	0.4	0.4
Subscription revenue (INR b)		
Old	39.5	42.8
New	39.6	43.2
<i>Change (%)</i>	0.4	1.1
Total revenue (INR b)		
Old	95.2	107.1
New	95.5	107.7
<i>Change (%)</i>	0.3	0.5
EBITDA (INR b)		
Old	11.8	16.3
New	12.2	17.0
<i>Change (%)</i>	3.1	4.4
EBITDA margin (%)		
Old	12.4	15.2
New	12.7	15.8
<i>Change (bp)</i>	35	58
PAT (INR b)		
Old	6.2	9.3
New	7.0	10.3
<i>Change (%)</i>	13.2	10.7
EPS (INR)		
Old	6.5	9.7
New	7.3	10.7
<i>Change (%)</i>	13.2	10.7

Source: MOFSL, Company

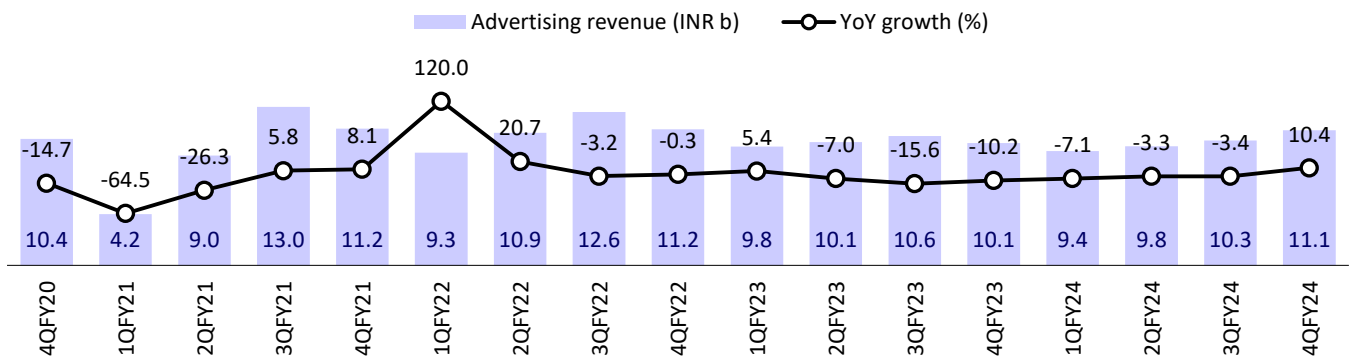
Story in charts

Exhibit 4: Consol. revenue increased 10% YoY with 250bp margins improvement to 9.7%



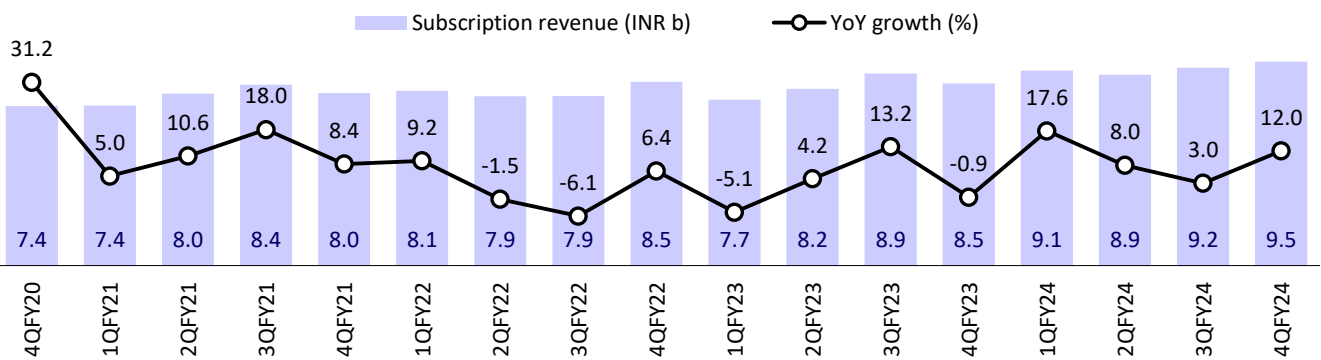
Source: Company, MOFSL

Exhibit 5: Total ad revenue increased 10% YoY led by FMCG Ad recovery



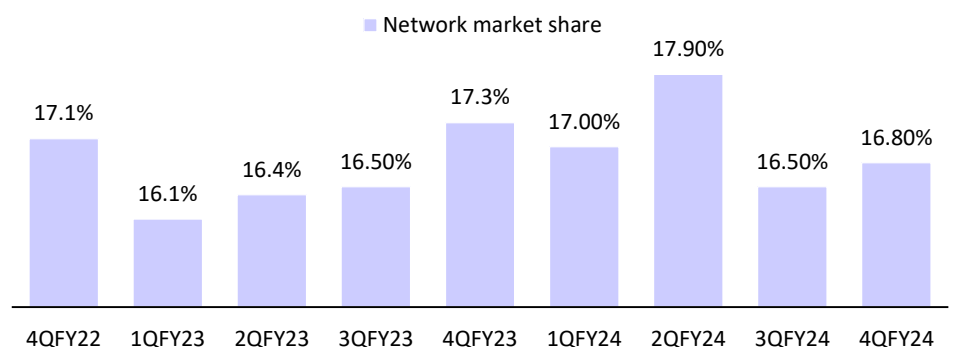
Source: Company, MOFSL

Exhibit 6: Total subscription grew 12% YoY

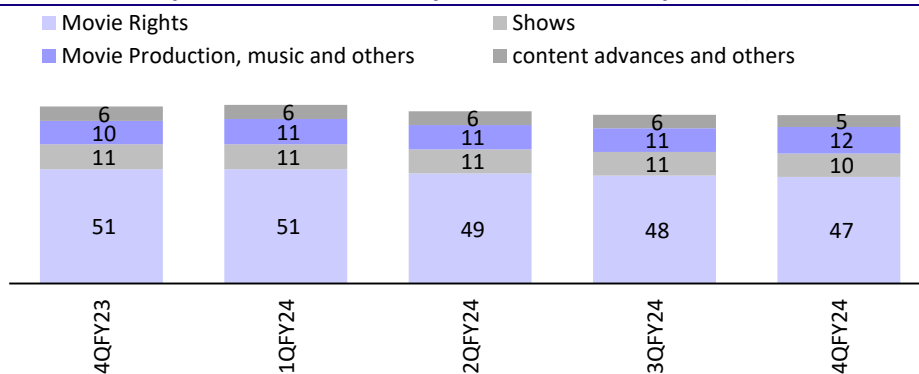


Source: Company, MOFSL

Exhibit 7: Market share inch up 30bp sequentially



Source: MOSL, Company

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

Source: Company, MOFSL

Exhibit 9: ZEE5 KPIs (INR m)

ZEE5 KPIs	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Revenue (INR m)	1,614	1,597	1,671	1,943	2,200	1,939	2,652	2,232	2,372
as % of total revenue	7%	9%	8%	9%	10%	10%	11%	11%	11%
ZEE5 Operating Costs	3,566	3,949	4,440	4,763	5,309	5,360	5,421	4,672	5,024
YoY growth	32%	25%	47%	45%	49%	36%	22%	-2%	-5%
as % of total Costs	20%	25%	26%	27%	27%	29%	26%	25%	26%
ZEE5 EBITDA	-1,952	-2,352	-2,769	-2,820	-3,109	-3,421	-2,769	-2,440	-2,652

Source: Company, MOFSL

Financials and Valuations

Consolidated - Income Statement							(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	79,339	81,299	77,299	81,893	80,879	86,372	95,485	1,07,734
Change (%)	18.7	2.5	-4.9	5.9	-1.2	6.8	10.6	12.8
Programming/Production expenses	30,758	38,285	37,505	40,449	44,686	50,393	54,583	60,023
Employees Cost	7,249	7,805	8,183	8,641	8,238	10,188	10,596	11,019
Other Expenses	15,692	18,863	13,710	15,582	16,944	16,719	18,150	19,708
Total Expenditure	53,700	64,953	59,398	64,672	69,868	77,301	83,328	90,751
% of Sales	67.7	79.9	76.8	79.0	86.4	89.5	87.3	84.2
EBITDA	25,639	16,345	17,901	17,221	11,011	9,071	12,157	16,983
Margin (%)	32.3	20.1	23.2	21.0	13.6	10.5	12.7	15.8
Depreciation	2,347	2,706	2,649	2,459	3,128	3,091	3,080	3,492
EBIT	23,292	13,639	15,252	14,762	7,884	5,980	9,077	13,491
Int. and Finance Charges	1,304	1,449	571	451	702	721	300	300
Other Income	2,515	2,836	1,104	1,213	797	1,292	600	600
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	6,590	9,377	13,791
EO Items	-218	-2,843	-1,266	-1,333	-3,355	-2,784	0	0
PBT after EO Exp.	24,320	9,587	12,558	14,154	4,682	3,806	9,377	13,791
Total Tax	8,673	4,317	4,625	4,597	2,167	1,818	2,360	3,471
Tax Rate (%)	35.7	45.0	36.8	32.5	46.3	47.8	25.2	25.2
Minority Interest/Associate	-23	5	-69	-89	1	-4	-4	-4
Reported PAT	15,671	5,265	8,002	9,646	2,514	1,992	7,020	10,323
Adjusted PAT	15,775	9,424	10,620	11,129	4,568	4,346	7,020	10,323
Change (%)	12.7	-40.3	12.7	4.8	-59.0	-4.9	61.5	47.1
Margin (%)	19.9	11.6	13.7	13.6	5.6	5.0	7.4	9.6

Consolidated - Balance Sheet							(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	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	1,07,768	1,13,059	1,21,654
Net Worth	89,239	93,439	1,00,945	1,08,627	1,07,219	1,08,729	1,14,020	1,22,614
Minority Interest	143	110	129	0	0	0	0	0
Total Loans	11,134	6,476	4,028	556	2,820	2,303	2,303	2,303
Deferred Tax Liabilities	1,262	0	-1,207	-3,080	-4,229	-4,542	-4,542	-4,542
Capital Employed	1,01,778	1,00,025	1,03,894	1,06,103	1,05,810	1,06,490	1,11,781	1,20,375
Gross Block	17,299	19,799	21,870	30,164	29,644	31,174	33,674	36,174
Less: Accum. Deprn.	8,406	10,722	13,762	21,363	19,348	22,439	25,519	29,011
Net Fixed Assets	8,893	9,077	8,108	8,801	10,296	8,736	8,155	7,163
Goodwill on Consolidation	5,252	4,070	3,804	3,450	3,302	3,303	3,303	3,303
Capital WIP	1,561	832	782	871	191	98	98	98
Total Investments	9,765	3,247	7,983	651	330	368	368	368
Curr. Assets, Loans&Adv.	1,03,859	1,06,511	1,06,303	1,10,636	1,18,723	1,17,451	1,26,576	1,38,734
Inventory	38,505	53,475	54,030	63,862	73,079	69,129	70,285	74,824
Account Receivables	18,274	20,847	21,286	17,375	16,088	17,016	18,312	20,661
Cash and Bank Balance	12,218	7,345	10,907	12,733	8,040	11,932	15,743	19,636
Loans and Advances	34,861	24,845	20,080	16,666	21,516	19,374	22,236	23,613
Curr. Liability & Prov.	27,552	23,712	23,086	18,306	27,032	23,465	26,719	29,290
Account Payables	14,897	16,803	13,982	13,719	17,494	14,355	16,938	18,568
Other Current Liabilities	11,204	5,383	7,395	3,429	8,040	7,266	7,971	8,738
Provisions	1,451	1,526	1,709	1,159	1,498	1,844	1,810	1,984
Net Current Assets	76,307	82,799	83,218	92,329	91,691	93,986	99,857	1,09,444
Appl. of Funds	1,01,778	1,00,025	1,03,894	1,06,103	1,05,810	1,06,490	1,11,781	1,20,375

Financials and Valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)								
EPS	16.4	5.5	11.1	11.6	4.8	4.5	7.3	10.7
Cash EPS	17.8	11.8	13.4	13.9	8.0	7.7	10.5	14.4
BV/Share	92.9	97.3	105.1	113.1	111.6	113.2	118.7	127.7
DPS	3.5	3.0	2.5	3.0	3.0	0.0	1.5	1.5
Payout (%)	25.7	65.7	36.0	35.8	137.6	0.0	24.6	16.7
Valuation (x)								
P/E	8.6	25.7	12.8	12.2	29.6	31.2	19.3	13.1
Cash P/E	7.9	12.0	10.5	10.2	17.6	18.2	13.4	9.8
P/BV	1.5	1.4	1.3	1.2	1.3	1.2	1.2	1.1
EV/Sales	1.6	1.6	1.6	1.5	1.6	1.5	1.3	1.1
EV/EBITDA	4.9	8.0	6.7	7.1	11.8	13.8	10.0	6.9
Dividend Yield (%)	2.5	2.1	1.8	2.1	2.1	0.0	1.1	1.1
FCF per share	-1.5	1.1	14.3	0.4	-1.3	6.3	5.5	5.5
Return Ratios (%)								
RoE	19.1	10.3	10.9	10.6	4.2	4.0	6.3	8.7
RoCE	17.4	9.0	10.1	10.1	4.3	3.4	6.4	8.7
RoIC	21.6	9.0	11.1	11.3	4.5	3.3	7.2	10.3
Working Capital Ratios								
Fixed Asset Turnover (x)	4.6	4.1	3.5	2.7	2.7	2.8	2.8	3.0
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	292	269	253
Debtor (Days)	84	94	101	77	73	72	70	70
Creditor (Days)	69	75	66	61	79	61	65	63
Leverage Ratio (x)								
Current Ratio	3.8	4.5	4.6	6.0	4.4	5.0	4.7	4.7
Interest Cover Ratio	17.9	9.4	26.7	32.7	11.2	8.3	30.3	45.0
Net Debt/Equity	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1

Consolidated - Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
(INR m)								
OP/(Loss) before Tax	24,345	9,563	12,556	14,155	4,681	3,811	9,377	13,791
Depreciation	2,565	5,550	2,649	2,459	3,413	3,167	3,080	3,492
Interest & Finance Charges	139	135	104	226	707	724	300	300
Direct Taxes Paid	-9,299	-3,114	-5,011	-4,965	-3,893	-2,401	-2,360	-3,471
(Inc)/Dec in WC	-17,151	-16,758	809	-9,638	-2,722	3,418	-2,060	-5,694
CF from Operations	599	-4,624	11,107	2,237	2,186	8,718	8,337	8,418
Others	734	7,124	4,370	478	-896	-1,574	-597	-597
CF from Operating incl EO	1,333	2,499	15,477	2,714	1,291	7,143	7,740	7,822
(Inc)/Dec in FA	-2,814	-1,451	-1,740	-2,286	-2,560	-1,087	-2,500	-2,500
Free Cash Flow	-1,481	1,048	13,737	429	-1,269	6,056	5,240	5,322
(Pur)/Sale of Investments	5,930	3,163	-3,765	16,361	-553	75	0	0
Others	1,316	1,451	-951	-8,219	1,212	496	600	600
CF from Investments	4,432	3,163	-6,456	5,856	-1,900	-517	-1,900	-1,900
Issue of Equity	0	-4,867	-4,027	-4,034	0	0	0	0
Inc/(Dec) in Debt	-4,876	-12	4	9	-256	-1,204	0	0
Interest Paid	-54	-67	-43	-49	-80	-671	-300	-300
Dividend Paid	-4,734	-5,227	-1,118	-2,850	-2,882	0	-1,729	-1,729
Others	0	-362	-275	180	-865	-860	0	0
CF from Fin. Activity	-9,664	-10,535	-5,459	-6,745	-4,082	-2,735	-2,029	-2,029
Inc/Dec of Cash	-3,899	-4,873	3,561	1,826	-4,692	3,891	3,811	3,893
Opening Balance	16,117	12,218	7,345	10,907	12,732	8,041	11,932	15,743
Closing Balance	12,218	7,345	10,907	12,732	8,041	11,932	15,743	19,636

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA.

Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company

- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of

Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst:

INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.