

Zee Entertainment

Refer to important disclosures at the end of this report

To focus on regaining market share with aggressive content investments

- Zee reported in-line operating performance, with 8.9% yoy growth in domestic advertising revenue. LTL subscription revenue increased 5.6% yoy, while international subscription revenue recorded a decline of 31.5% yoy due to a change in accounting policy.
- Total content inventory, advances and deposits increased to Rs62.7bn from Rs56.5bn in Q3FY21, as a result of fresh content investments. In Q4FY21, Zee recovered past dues of Rs2bn+ from Dish TV, and a full recovery is expected by the end of FY22.
- The company has decided to significantly scale down investments in SugarBox, which has been a key area of concern for investors. Management expects double-digit ad growth for the industry in FY22 over FY20, provided the second Covid wave is contained in Q1.
- We have cut our FY22-23E earnings by 7-10% as we factor in lower revenues due to the ongoing slowdown and guidance of 25% EBITDA margins on aggressive content investments. We maintain Hold rating with a revised TP of Rs210 (12x FY23E EPS).

In-line operating performance

Consolidated revenues came in flat yoy at Rs19.65bn, driven by an 8% rise in ad revenues. Domestic ad revenues recorded 8.9% growth yoy. Though subscription revenue grew 8.4% yoy, it was impacted by a 31.5% decline in international subscription revenues due to a change in accounting policy. LTL subscription revenues increased 5.6% yoy. EBITDA at Rs5.4bn was in line, with adjusted programming & content cost declining 19.2% due to lower accelerated inventory amortization. This also aided in sequential margin expansion of 129bps. PAT for the quarter stood at Rs2.8bn.

Outlook: In a positive move, the company has decided to significantly reduce potential investment of Rs5.2bn in 'SugarBox'. This has been a major concern for investors and an overhang on the stock, given that it is not related to the core business of Zee. We had not accounted for it in our estimates due to the lack of clarity on the investment timelines on account of Covid-19 related delays. Industry ad revenue growth for FY22 is expected to be in double-digits over FY20, if the second Covid wave gets contained in Q1, with Zee targeting to grow in-line-to-better than the industry. Domestic subscription revenue growth will be impacted by the ongoing litigation on NTO 2.0 implementation. Increased content investments in both TV and Zee5 could restrict EBITDA margins at ~25% in the foreseeable future. Zee's target of producing 30-40 movies in a year might not be achieved this fiscal due to lockdowns across states. Management has maintained its 50% FCF/PAT guidance amid aggressive content investment plans. **Key risks:** 1) slower-than-expected recovery in ad revenues; 2) delayed resolution on NTO 2.0 implementation; 3) better-than-expected margin delivery; and 4) market share loss of key channels.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Media & Entertainment \(Page 12\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	81,299	77,299	88,234	97,894	1,06,928
EBITDA	16,346	17,901	21,866	24,495	26,730
EBITDA Margin (%)	20.1	23.2	24.8	25.0	25.0
APAT	10,705	11,229	15,074	16,901	18,536
EPS (Rs)	10.3	11.7	15.4	17.6	19.3
EPS (% chg)	(37.9)	14.0	31.6	14.4	9.7
ROE (%)	10.8	11.9	14.6	15.0	14.8
P/E (x)	18.7	16.4	12.5	10.9	9.9
EV/EBITDA (x)	11.0	9.6	7.8	6.8	6.1
P/BV (x)	2.0	1.9	1.7	1.6	1.4

Source: Company, Emkay Research

CMP	Target Price
Rs 192 as of (May 21, 2021)	Rs 210 (▼) 12 months
Rating	Upside
HOLD (■)	9.7 %

Change in Estimates

EPS Chg FY22E/FY23E (%)	(10.1)/(7)
Target Price change (%)	(14.2)
Target Period (Months)	12
Previous Reco	HOLD

Emkay vs Consensus

EPS Estimates		
	FY22E	FY23E
Emkay	15.4	17.6
Consensus	16.0	18.5
Mean Consensus TP (12M)	Rs 265	

Stock Details

Bloomberg Code	Z IN
Face Value (Rs)	1
Shares outstanding (mn)	961
52 Week H/L	261 / 135
M Cap (Rs bn/USD bn)	184 / 2.52
Daily Avg Volume (nos.)	1,43,02,670
Daily Avg Turnover (US\$ mn)	39.7

Shareholding Pattern Mar '21

Promoters	4.0%
FIIIs	64.2%
DIIIs	12.4%
Public and Others	19.5%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(3)	(8)	3	25
Rel. to Nifty	(7)	(8)	(11)	(24)

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

Naval Seth

naval.seth@emkayglobal.com
+91 22 6624 2414

Sonali Shah

sonali.shah@emkayglobal.com
+91 22 6624 2482

Other highlights

- Consolidated revenue stood at Rs19.7bn, stable yoy, but was 3% below our estimate. The miss was due to lower subscription revenue and other operating income.
 - Ad revenues of Rs11.2bn were in line with our estimate, with 8% yoy growth. Domestic ad revenues rose 8.9% yoy, driven by the improvement in macro scenario. International ad revenues were, however, down 6.1% yoy to Rs526mn.
 - Reported subscription revenues stood at Rs8bn, up 8.4% yoy. However, after adjusting for the reclassification of the music business, LTL growth was 5.6% yoy for the quarter. International subscription revenues saw 31.5% yoy slump to Rs553mn.
- Other operating income was impacted by the reclassification of revenues from the music business and lower theatrical revenues.

Exhibit 1: Segment-wise revenue breakdown

Rs mn	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	YoY %	QoQ %	FY20	FY21	YoY %
Ad Revenue	10,389	4,211	9,028	13,020	11,230	8.1	(13.8)	46,811	37,488	-19.9%
Subscription revenue	7,414	7,974	8,003	8,419	8,034	8.4	(4.6)	28,873	32,430	12.3%
Domestic	6,607	7,156	7,172	7,328	7,481	13.2	2.1	25,623	29,136	13.7%
International	807	818	831	1,091	553	(31.5)	(49.3)	3,251	3,293	1.3%
Others	1,708	935	196	5,854	395	(76.9)	(93.3)	5,614	7,381	31.5%
Total Sales	19,511	13,120	17,227	27,294	19,658	0.8	(28.0)	81,299	77,299	-4.9%

Source: Company, Emkay Research

- The company reported EBITDA of Rs5.4bn, in line with our expectations. Adjusting for the provisions (one-time inventory write-off and provision) in the base quarter, EBITDA grew sizably, while margins stood at 27.5%.
 - Programming and content cost declined 19.2%, after adjusting for the one-time inventory write-off of Rs2.6bn in Q4FY20.
 - Employee expenses rose yoy.
 - Reported other operating expenses dipped considerably yoy. However, adjusting for the one-time Covid-19-related provision of Rs3.4bn, it dipped 14% yoy.
- Net profit stood at Rs2.8bn vs. a loss of Rs7.7bn in Q4FY20**
 - Other income stood at Rs186mn vs. Rs407mn in Q4FY20.
 - MTM gain stood at Rs207mn vs. a loss of Rs27.8bn in Q4FY20.
- Zee5: Revenue stood at Rs1.1bn, with EBITDA loss of Rs1.6bn.**
 - ZEE5 had 72.6mn and 6.1mn global Monthly Active Users (MAUs) and Daily Active Users (DAUs), respectively, as of Mar'21.
 - Revision in pricing of annual packs to Rs499 resulted in increased adoption of the yearly subscription packages.

International operations

- Total international revenue stood at Rs1.2bn vs. Rs2bn in Q4FY20.
- Ad revenues continued to be in the red and declined 6.1% yoy.
- Subscription revenues at Rs553mn dipped considerably.

Exhibit 2: Breakdown of international revenues

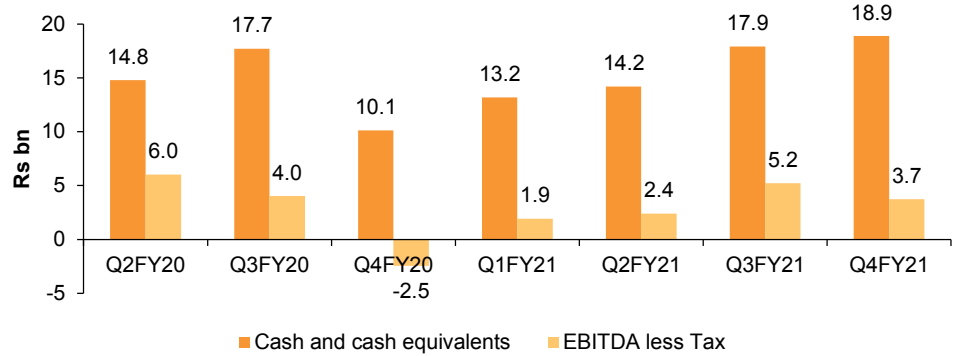
Rs mn	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	YoY %	QoQ %	FY20	FY21	YoY %
Ad revenue	560	371	362	577	526	(6.1)	(8.8)	2,400	1,836	-24%
Subscription revenue	807	818	831	1,091	553	(31.5)	(49.3)	3,251	3,293	1%
Other sales and services	633	150	292	5,695	154	(75.7)	(97.3)	1,699	6,291	270%
Total Revenue	2,000	1,339	1,485	7,363	1,233	(38.4)	(83.3)	7,350	11,420	55%

Source: Company, Emkay Research

Balance sheet

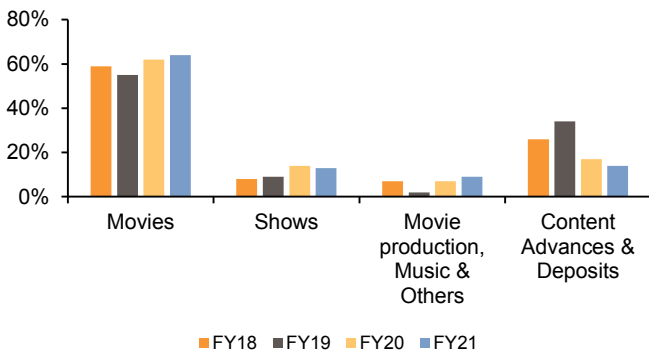
- Cash and cash equivalents improved again and stood at Rs18.9bn vs. Rs17.9bn at Q3FY21-end.
- Trade receivables dipped to Rs19.5bn from Rs24.8bn and Rs21.3bn at Q3FY21-end and FY20, respectively.
- Inventories rose to Rs54bn from Rs48.8bn at Q3FY21-end.
- FCF for FY21 stood at Rs13.4bn vs. Rs681mn in FY20.

Exhibit 3: Net cash (includes investments) position improved once again



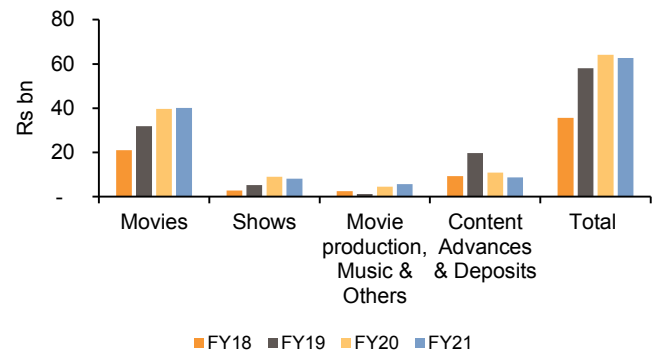
Source: Company, Emkay Research

Exhibit 4: Breakdown of content, inventory advances and deposits



Source: Company, Emkay Research

Exhibit 5: Breakdown of content, inventory advances and deposits



Source: Company, Emkay Research

Exhibit 6: Actual vs. Estimates (Q4FY21)

(Rs mn)	Actual	Estimate		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenue	19,658	20,202	20,866	-3%	-6%	On account of lower other operating incomes
EBITDA	5,408	5,399	5,145	0%	5%	
<i>EBITDA, margin</i>	<i>27.5%</i>	<i>26.7%</i>	<i>24.7%</i>	<i>79 bps</i>	<i>285 bps</i>	
PAT	2,757	3,700	3,279	-25%	-16%	On higher ETR and lower other income

Source: Company, Bloomberg, Emkay Research

Exhibit 7: Summary of quarterly financials

Rs mn	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	YoY (%)	QoQ (%)	FY20	FY21	YoY (%)
Ad revenue	10,389	4,211	9,028	13,020	11,230	8.1	(13.8)	46,811	37,488	(19.9)
Subscription Revenue	7,414	7,974	8,003	8,419	8,034	8.4	(4.6)	28,873	32,430	12.3
Others	1,708	935	196	5,854	395	(76.9)	(93.3)	5,614	7,381	31.5
Net Sales	19,511	13,120	17,227	27,294	19,658	0.8	(28.0)	81,299	77,299	(4.9)
Programming Cost	13,046	6,578	8,342	14,142	8,443	(35.3)	(40.3)	38,285	37,505	(2.0)
as % of sales	66.9	50.1	48.4	51.8	42.9			47.1	48.5	
Employee Expenses	1,604	2,001	1,967	2,073	2,142	33.5	3.3	7,805	8,183	4.8
as % of sales	8.2	15.3	11.4	7.6	10.9			9.6	10.6	
Admin and Other expense	7,699	2,342	3,782	3,921	3,665	(52.4)	(6.5)	18,863	13,710	(27.3)
as % of sales	39.5	17.8	22.0	14.4	18.6			23.2	17.7	
Total operating expenditure	22,349	10,921	14,090	20,137	14,250	(36.2)	(29.2)	64,953	59,398	(8.6)
EBITDA	(2,839)	2,199	3,137	7,157	5,408	290.5	(24.4)	16,346	17,901	9.5
Depreciation	778	719	651	652	627	(19.3)	(3.8)	2,706	2,649	(2.1)
EBIT	(3,616)	1,481	2,485	6,505	4,781	232.2	(26.5)	13,640	15,252	11.8
Other Income	407	264	379	276	186	(54.3)	(32.6)	2,836	1,104	(61.1)
Interest	864	45	13	21	491	(43.1)	2,217.5	1,449	571	-
Exceptional Item & MTM	(3,924)	(1,123)	(1,178)	(839)	(88)			(5,440)	(3,229)	
PBT	(7,997)	576	1,673	5,920	4,388	154.9	(25.9)	9,587	12,557	31.0
Tax	(372)	284	740	1,937	1,664	(547.3)	(14.1)	4,317	4,625	7.1
PAT before MI	(7,625)	292	933	3,983	2,723	135.7	(31.6)	5,270	7,932	50.5
MI	42	(11)	(7)	(16)	(34)	(182.2)	109.8	5	(69)	(1,541.7)
PAT after MI	(7,667)	304	941	3,999	2,757	136.0	(31.1)	5,266	8,001	51.9
Margins (%)						(bps)	(bps)			(bps)
EBITDA	(14.5)	16.8	18.2	26.2	27.5		129	20.1	23.2	305
EBIT	(18.5)	11.3	14.4	23.8	24.3		49	16.8	19.7	295
EBT	(41.0)	4.4	9.7	21.7	22.3		63	11.8	16.2	445
PAT	(39.1)	2.2	5.4	14.6	13.9		(74)	6.5	10.3	378
Effective Tax rate	4.7	49.2	44.2	32.7	37.9		521	45.0	36.8	(819)

Source: Company, Emkay Research

Changes in estimates

We have lowered both advertisement and subscription revenue assumptions for FY22 and FY23, given the slow pace of recovery due to the second Covid-19 wave and the ongoing litigation for NTO 2.0 implementation, respectively. In addition, we are reducing our EBITDA margin assumption to 25% as management has guided for it due to high content investments in the period.

Exhibit 8: Changes in estimates

Particulars (Rs mn)	FY22E			FY23E			FY24E
	Old	Revised	Change	Old	Revised	Change	Introduced
Ad revenue	52,604	50,018	-4.9%	58,630	55,718	-5.0%	62,067
Subscription revenue	36,696	34,216	-6.8%	39,900	37,376	-6.3%	39,661
Revenue	93,838	88,234	-6.0%	1,02,522	97,894	-4.5%	1,06,928
EBITDA	24,487	21,866	-10.7%	26,341	24,495	-7.0%	26,730
EBITDA Margin %	26.1	24.8	-131 bps	25.7	25.0	-67 bps	25.0
PAT	16,776	15,074	-10.1%	18,194	16,901	-7.1%	18,536
EPS	17.5	15.7	-10.1%	18.9	17.6	-7.1%	19.3

Source: Company, Emkay Research

Exhibit 9: Key revenue assumptions

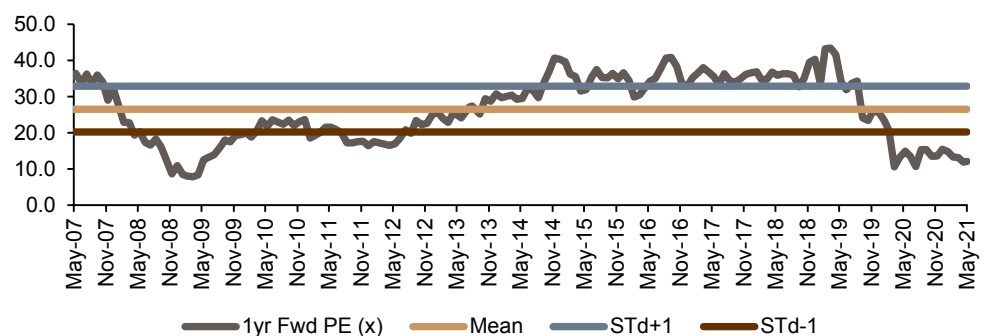
Rs mn	FY19	FY20	FY21	FY22E	FY23E	FY24E
Advertisement revenue	50,367	46,811	37,488	50,018	55,718	62,067
<i>yoy Growth</i>	20%	-7%	-20%	33%	11%	11%
Subscription revenue	23,105	28,873	32,430	34,216	37,376	39,661
<i>yoy Growth</i>	14%	25%	12%	6%	9%	6%
Domestic subscription	19,233	25,623	29,136	31,042	33,578	36,322
<i>yoy Growth</i>	17%	33%	14%	7%	8%	8%
International subscription	3,873	3,251	3,293	2,247	2,157	2,071
<i>yoy Growth</i>	-1%	-16%	1%	-32%	-4%	-4%
Others	5,867	5,615	7,381	4,000	4,800	5,200
<i>yoy Growth</i>	30%	-4%	31%	-46%	20%	8%
Total revenue	79,339	81,299	77,299	88,234	97,894	1,06,928
<i>yoy Growth</i>	19%	2%	-5%	14%	11%	9%

Source: Company, Emkay Research

Con-call highlights

- **Advertisement revenues:** Management expects to recover Q1 losses in the ensuing quarters. It expects double-digit growth for the industry in FY22 over FY20, if the second Covid wave does not spill over to Q2.
- The company has fresh content availability till 25th May and if the lockdown gets extended in key states, some regional markets will have limited content.
- **Subscription revenues:** Domestic revenue growth has been impacted by the restriction on pricing due to NTO 2.0. This should impact FY22E margins as well, as the company is in a high-investment phase.
 - The decline in international subscription revenue was due to an accounting policy change with revenue now recognized net of some costs, restricting EBITDA impact. Revenues of Rs55mn in Q4 is the going run-rate.
- **Content investments:** The company will increase content investments: 1) Broadcast – to achieve leadership position through content offerings with higher number of fresh content hours and a wide bouquet of channels; and 2) Digital - focus on content and competitive pricing as it has cut pricing to retain and add new customers; there will be more digital originals and new movies; scaling up of movie production will be lower than earlier guidance of 30-40 movies annually due to the pandemic situation in FY22, while once it normalizes the target will be to produce 30-40 movies. LTL cost inflation for underlying content cost will be in low-single digits.
- **Other costs:** As the company is investing in the Digital business, it will see a rise in employee costs as well.
- **Zee5:** The company has revised annual pricing to Rs499 vs 999. The renewed pricing aggression is indifferent to 'Radhe's digital release. The sequential revenue fall is attributable to the decline in ad revenues and a pending telco contract renewal (renewed in Q1). The majority of MAUs and DAUs are from direct subscribers and not from telcos.
 - Though traction is seen in international markets, numbers are insignificant as of now.
- **EBITDA margin:** As the company is in a high-investment phase, margin guidance stands at 25%+. It should bounce back to 30% after this.
- FCF/PAT target remains unchanged at 50%.
- **SugarBox:** The company will scale down investments in SugarBox significantly due to continued delays in implementation and concerns about traffic ramp-up with the second Covid wave.
- **Receivables:** Zee has collected overdue of more than Rs2bn from DITV. By FY22, it will be line with other subscriber debtors. On Siti, it remains on a cash-and-carry model.
- **Dividend policy:** The company will maintain the current policy of distributing 30% of PAT as dividends.

Exhibit 10: 1-year forward P/E valuation band



Source: Company, Bloomberg, Emkay Research

Exhibit 11: Hindi GEC viewership share – Share for Zee TV (the flagship channel) is stable at 8%, while Zee Anmol has seen a dip in Q1FY22

Channels	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22(QTD)
STAR Plus	12%	13%	14%	13%	12%	11%	13%	13%	13%	15%
Colors	10%	10%	11%	11%	12%	6%	7%	9%	9%	8%
Zee TV	11%	12%	13%	12%	10%	4%	7%	9%	8%	8%
Zee Anmol	13%					9%	12%	9%	11%	9%
STAR Utsav	7%	3%	3%	3%	4%	8%	16%	18%	18%	16%
STAR Bharat	8%	6%	6%	6%	5%					
Sony Pal	9%	3%	3%	3%	3%	6%	10%	9%	10%	10%
Sony Entertainment Television	10%	10%	11%	10%	9%	6%	6%	7%	7%	7%
DD National					25%	15%				
Sony Sab	8%	10%	12%	12%	12%	12%	9%	9%	9%	12%
Dangal	23%	18%	18%	21%	23%	17%	11%	8%	7%	7%
Big Magic	13%	14%	9%	9%	9%	10%	5%			
Rishtey	8%									
&TV	3%	3%	3%		3%					

Source: BARC, Emkay Research

Exhibit 12: Hindi movies viewership share – Zee Cinema's share has risen in Q1 after sliding in the previous quarter

Channels	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22(QTD)
STAR Gold	19%	22%	20%	21%	20%	22%	20%	19%	18%	23%
Zee Cinema	18%	23%	21%	20%	22%	23%	20%	19%	18%	20%
Sony MAX	22%	24%	22%	23%	24%	26%	23%	20%	19%	19%
Sony Wah	19%								18%	
Dhinchaak							18%	26%	27%	22%
B4U Kadak		21%	25%	23%	19%	15%				
Star Gold 2					14%	15%	14%			

Source: BARC, Emkay Research

Exhibit 13: Marathi viewership share – Zee Marathi's share has contracted considerably in the ongoing quarter

Channels	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22(QTD)
Zee Marathi	39%	33%	38%	37%	31%	23%	33%	28%	26%	23%
Colors Marathi	16%	16%	18%	21%	24%		14%	14%	14%	12%
Zee Talkies	13%	14%	14%	12%	13%	26%	17%	10%	11%	14%
Fakt Marathi	37%	28%	19%	16%	16%	20%	10%	7%	7%	
STAR Pravah	11%	9%	11%	15%	18%	12%	26%	41%	42%	43%

Source: BARC, Emkay Research

Exhibit 14: Telugu viewership share – Zee Telugu's share is stable

Channels	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22(QTD)
ETV Telugu	21%	20%	21%	21%	21%	21%	21%	20%	20%	19%
Star Maa	28%	30%	33%	33%	31%	26%	30%	35%	34%	35%
Zee Telugu	22%	21%	19%	19%	20%	17%	23%	23%	24%	24%
Gemini TV	18%	18%	18%	18%	19%	23%	16%	14%	14%	12%
Gemini Movies	9%				10%	13%		9%	9%	10%
Star Maa Movies		11%	9%	9%	9%	12%	10%	9%	8%	10%

Source: BARC, Emkay Research

Exhibit 15: Tamil viewership share – Zee Tamil's share is on a downtrend

Channels	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22(QTD)
Sun TV	38%	38%	39%	41%	42%	43%	41%	37%	37%	38%
KTV	13%	12%	13%	13%	15%	18%	13%	11%	11%	11%
STAR Vijay	22%	23%	24%	21%	19%	17%	20%	26%	27%	28%
Zee Tamil	21%	21%	19%	19%	18%	14%	20%	20%	19%	16%
Star Vijay Super		5%	5%	6%	6%	8%	6%	6%	6%	7%

Source: BARC, Emkay Research

Exhibit 16: Kannada viewership share – Zee Kannada’s share rose in Q4

Channels	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22(QTD)
Colors Kannada	30%	27%	24%	24%	18%	14%	18%	21%	23%	23%
Udaya TV	16%	16%	16%	15%	17%	28%	21%	15%	15%	18%
Star Suvarna	12%	12%	13%	14%	16%	14%	18%	20%	19%	17%
Udaya Movies	12%	12%	11%	11%	12%	16%	12%	12%	11%	12%
Zee Kannada	30%	31%	35%	37%	37%	27%	31%	31%	33%	29%

Source: BARC, Emkay Research

Exhibit 17: Malayalam viewership share – Zee Keralam’s share has risen in Q1FY22, thus far

Channels	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22(QTD)
Asianet	45%	43%	46%	49%	50%	33%	43%	50%	52%	49%
Mazhavil Manorama	16%	17%	16%	15%	14%	18%	14%	14%	12%	13%
Flowers TV	18%	19%	18%	14%	13%	15%	16%	14%	14%	13%
Surya TV	12%	12%	11%	11%	12%	22%	15%	11%	10%	13%
Zee Keralam			10%	10%	11%	11%	12%	12%	12%	13%

Source: BARC, Emkay Research

Exhibit 18: Bangla viewership share – Zee Bangla’s share is on the rise

Channels	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22(QTD)
STAR Jalsha	33%	31%	33%	36%	38%	23%	39%	41%	42%	41%
Zee Bangla	44%	42%	42%	41%	38%	29%	31%	36%	37%	38%
Jalsha Movies	9%	13%	10%	9%	9%	20%	12%	8%	7%	8%
Colors Bangla	8%	7%	7%	7%	7%	14%	9%	8%	7%	6%
Zee Bangla Cinema		7%	8%	7%	9%	14%	9%			
Sony Aath	6%	7%	7%	7%	8%	14%	8%		6%	6%

Source: BARC, Emkay Research

Exhibit 19: Bhojpuri viewership share – Zee Biskope’s has seen its share expand

Channels	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22(QTD)
Big Ganga	36%	29%	24%	25%	22%	14%	14%	16%	13%	12%
Bhojpuri Cinema	40%	43%	30%	32%	27%	28%	28%	27%	28%	26%
Dabangg	14%	13%	8%	9%	8%	9%	9%	10%	10%	9%
Zee Biskope					27%	27%	25%	23%	25%	30%
B4U Bhojpuri		34%	31%	27%	20%	21%	23%	24%	24%	23%

Source: BARC, Emkay Research

Exhibit 20: Oriya viewership share – Zee Sarthak’s share is stable in the quarter so far

Channels	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22(QTD)
Zee Sarthak	35%	33%	33%	37%	37%	28%	30%	30%	35%	35%
Colors Oriya		5%		7%	7%	11%	9%	8%	7%	6%
Alankar	9%	12%	13%	11%	13%	25%	15%	13%	12%	13%
Tarang	47%	43%	41%	39%	37%	29%	39%	42%	40%	40%

Source: BARC, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	81,299	77,299	88,234	97,894	1,06,928
Expenditure	64,953	59,398	66,368	73,399	80,197
EBITDA	16,346	17,901	21,866	24,495	26,730
Depreciation	2,706	2,649	2,872	3,072	3,225
EBIT	13,640	15,252	18,994	21,423	23,505
Other Income	2,836	1,104	1,190	1,190	1,280
Interest expenses	1,449	571	120	120	120
PBT	15,027	15,785	20,064	22,493	24,665
Tax	4,317	4,625	5,050	5,661	6,208
Extraordinary Items	(5,440)	(3,229)	0	0	0
Minority Int./Income from Assoc.	(43)	(71)	(100)	(110)	(119)
Reported Net Income	4,408	8,001	14,778	16,901	18,536
Adjusted PAT	10,705	11,229	15,074	16,901	18,536

Balance Sheet

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity share capital	960	960	960	960	960
Reserves & surplus	92,479	96,184	1,06,440	1,18,271	1,31,246
Net worth	93,440	97,145	1,07,400	1,19,231	1,32,206
Minority Interest	110	110	110	110	110
Loan Funds	6,827	2,627	856	856	856
Net deferred tax liability	(2,742)	(3,152)	(3,152)	(3,152)	(3,152)
Total Liabilities	97,634	96,729	1,05,214	1,17,045	1,30,020
Net block	13,147	11,930	11,058	9,986	8,761
Investment	3,248	7,248	7,248	12,248	17,248
Current Assets	1,02,824	99,228	1,12,047	1,21,359	1,31,019
Cash & bank balance	7,346	6,986	7,526	5,313	3,547
Other Current Assets	4,161	3,377	3,854	4,276	4,671
Current liabilities & Provision	23,361	23,170	26,632	28,040	28,500
Net current assets	79,463	76,059	85,415	93,318	1,02,519
Misc. exp	945	742	742	742	742
Total Assets	97,634	96,729	1,05,214	1,17,045	1,30,020

Cash Flow

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
PBT (Ex-Other income) (NI+Dep)	12,191	14,681	18,874	21,303	23,385
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(12,021)	2,634	(8,817)	(10,116)	(10,966)
Operating Cashflow	(5,222)	13,814	9,130	9,857	10,795
Capital expenditure	(974)	(1,352)	(2,000)	(2,000)	(2,000)
Free Cash Flow	(6,196)	12,462	7,130	7,857	8,795
Investments	6,517	(4,000)	0	(5,000)	(5,000)
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	8,379	(4,248)	(810)	(5,810)	(5,720)
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(4,318)	(4,200)	(1,771)	0	0
Dividend paid (incl tax)	(4,928)	(2,401)	(4,818)	(5,070)	(5,561)
Other Financing Cash Flow	14,884	4,591	5,916	6,456	4,153
Financing Cashflow	4,189	(2,581)	(794)	1,266	(1,528)
Net chg in cash	7,346	6,986	7,526	5,313	3,547
Opening cash position	12,214	7,346	6,986	7,526	5,313
Closing cash position	7,346	6,986	7,526	5,313	3,547

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY20	FY21	FY22E	FY23E	FY24E
EBITDA Margin	20.1	23.2	24.8	25.0	25.0
EBIT Margin	16.8	19.7	21.5	21.9	22.0
Effective Tax Rate	28.7	29.3	25.2	25.2	25.2
Net Margin	13.2	14.4	17.0	17.2	17.3
ROCE	16.6	17.0	20.1	20.5	20.2
ROE	10.8	11.9	14.6	15.0	14.8
RoIC	16.7	18.3	22.4	22.9	22.9

Per Share Data (Rs)	FY20	FY21	FY22E	FY23E	FY24E
EPS	10.3	11.7	15.4	17.6	19.3
CEPS	13.1	14.5	18.4	20.8	22.7
BVPS	96.3	100.4	111.1	123.4	136.9
DPS	4.4	2.5	5.0	5.3	5.8

Valuations (x)	FY20	FY21	FY22E	FY23E	FY24E
PER	18.7	16.4	12.5	10.9	9.9
P/CEPS	14.7	13.3	10.4	9.2	8.5
P/BV	2.0	1.9	1.7	1.6	1.4
EV / Sales	2.2	2.2	1.9	1.7	1.5
EV / EBITDA	11.0	9.6	7.8	6.8	6.1
Dividend Yield (%)	2.3	1.3	2.6	2.8	3.0

Gearing Ratio (x)	FY20	FY21	FY22E	FY23E	FY24E
Net Debt/ Equity	0.0	(0.1)	(0.1)	(0.1)	(0.2)
Net Debt/EBIDTA	(0.2)	(0.6)	(0.6)	(0.7)	(0.7)
Working Cap Cycle (days)	323.8	326.2	322.2	328.1	337.8

Growth (%)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	2.5	(4.9)	14.1	10.9	9.2
EBITDA	(36.2)	9.5	22.2	12.0	9.1
EBIT	(41.4)	11.8	24.5	12.8	9.7
PAT	(71.9)	81.5	84.7	14.4	9.7

Quarterly (Rs mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Revenue	19,511	13,120	17,227	27,294	19,658
EBITDA	(2,839)	2,199	3,137	7,157	5,408
EBITDA Margin (%)	(14.5)	16.8	18.2	26.2	27.5
PAT	(7,667)	304	941	3,999	2,757
EPS (Rs)	(8.0)	0.3	1.0	4.2	2.9

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Promoters	4.8	4.8	4.0	4.0	4.0
FIIIs	68.3	67.3	66.2	65.8	64.2
DIIs	10.9	9.7	11.1	12.0	12.4
Public and Others	16.1	18.2	18.6	18.2	19.5

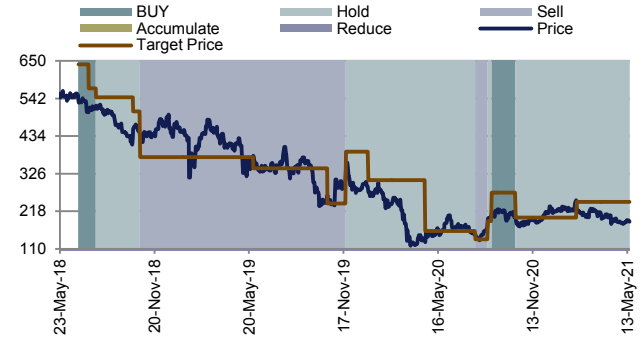
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
05-Feb-21	215	245	12m	Hold	Naval Seth
03-Nov-20	182	200	12m	Hold	Naval Seth
11-Oct-20	201	200	12m	Hold	Naval Seth
26-Aug-20	211	272	12m	Buy	Naval Seth
19-Aug-20	197	190	12m	Hold	Naval Seth
26-Jul-20	151	137	12m	Sell	Naval Seth
21-Apr-20	129	161	12m	Hold	Naval Seth
22-Jan-20	300	307	12m	Hold	Naval Seth
03-Jan-20	273	307	12m	Hold	Naval Seth
01-Jan-20	288	389	12m	Hold	Naval Seth
21-Nov-19	345	389	12m	Hold	Naval Seth
17-Oct-19	264	240	12m	Sell	Naval Seth
23-Sep-19	271	341	12m	Sell	Naval Seth
31-Jul-19	361	341	12m	Sell	Naval Seth
23-Jul-19	360	341	12m	Sell	Naval Seth
28-May-19	377	341	12m	Sell	Naval Seth
04-Apr-19	413	374	12m	Sell	Naval Seth
15-Jan-19	452	374	12m	Sell	Naval Seth
14-Nov-18	430	374	12m	Sell	Naval Seth
23-Oct-18	433	374	12m	Sell	Naval Seth
10-Oct-18	455	505	12m	Hold	Naval Seth
31-Jul-18	521	545	12m	Hold	Naval Seth
17-Jul-18	511	571	12m	Buy	Naval Seth
27-Jun-18	535	640	12m	Buy	Naval Seth

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Media & Entertainment



Analyst: Naval Seth

Contact Details

naval.seth@emkayglobal.com
+91 22 6624 2414

Sector

Consumer Durables, Media & Entertainment, SMID and Telecom

Analyst bio

Naval holds an MBA in Finance and has more than 12 years of experience in equity research. His team currently covers 19 stocks spread across three different sectors.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Media & Entertainment	0.27	0.26	-2%	-1	100.00
DB Corp*	0.00	0.00	NA	0	0.00
Dish TV*	0.00	0.00	NA	0	0.00
Entertainment Network*	0.00	0.00	NA	0	0.00
Inox Leisure	0.00	0.00	NA	0	0.00
Jagran Prakashan*	0.00	0.00	NA	0	0.00
PVR	0.00	0.00	NA	0	0.00
Sun TV Network	0.05	0.04	-21%	-1	15.11
Zee Entertainment	0.22	0.22	2%	0	82.60
Cash	0.00	0.01	NA	1	2.29

Source: Emkay Research

* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

Sector portfolio NAV

	Base					Latest
	1-Apr-19	21-May-20	20-Nov-20	18-Feb-21	20-Apr-21	20-May-21
EAP - Media & Entertainment	100.0	43.5	51.2	58.7	54.3	53.9
BSE200 Neutral Weighted Portfolio (ETF)	100.0	39.0	46.0	53.0	49.1	49.0

*Performance measurement base date 1st April 2019

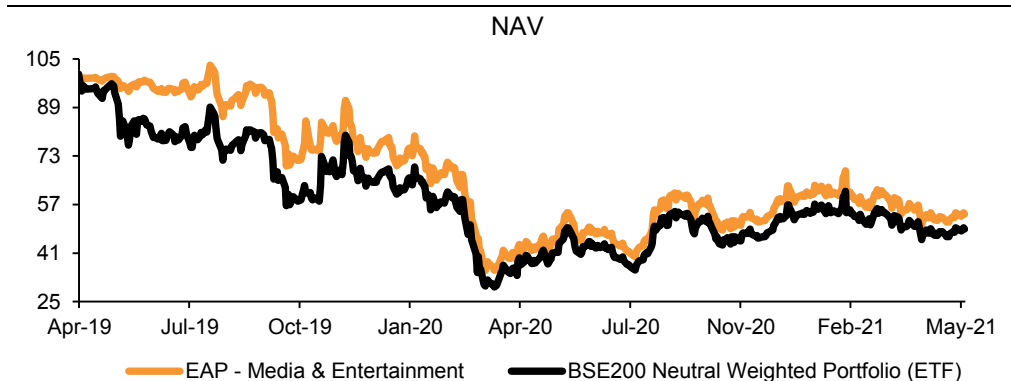
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Media & Entertainment	-0.7%	-8.1%	5.2%	24.0%
BSE200 Neutral Weighted Portfolio (ETF)	-0.2%	-7.5%	6.4%	25.6%

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 21 May 2021 17:25:59 (SGT)

Dissemination Date: 21 May 2021 17:26:59 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX). EGFSL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management, insurance broking and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com

EGFSL is registered as Research Analyst with SEBI bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years, except that NSE had disabled EGFSL from trading on October 05, October 08 and October 09, 2012 for a manifest error resulting into a bonafide erroneous trade on October 05, 2012. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, 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 or regulation or which would subject EGFSL or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

- This publication has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research publication relating to any issuer.

- Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets

Disclaimer for U.S. persons only: This research report is a product of Emkay Global Financial Services Limited (Emkay), which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

1. EGFSL, its subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of May 21, 2021
 2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Research Report
- Disclosure of previous investment recommendation produced:**
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
 4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have any material conflict of interest in the securities recommended in this report as of May 21, 2021.
 5. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the May 21, 2021
 6. EGFSL, its subsidiaries and/or other affiliates and Research Analyst have not received any compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
 7. EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst have not received any compensation or other benefits from securities recommended in this report (subject company) or third party in connection with the research report.
 8. Securities recommended in this report (Subject Company) has not been client of EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst during twelve months preceding the May 21, 2021

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, 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 or regulation.
Australia	This report is not for distribution into Australia.
Hong Kong	This report is not for distribution into Hong Kong.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is not for distribution into Malaysia.
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 16800306E) or DBSVS (Company Regn. No. 1860024G) both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an agreement under Regulation 32C of the financial Advisers Regulations. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom. In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6 th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.
United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com