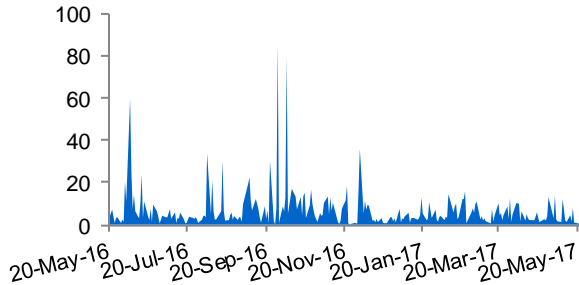


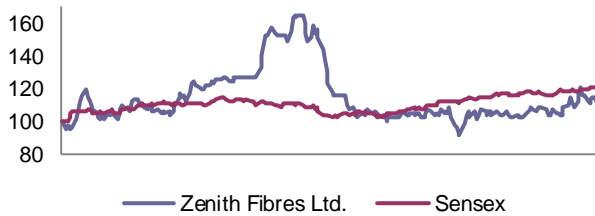
Equity Statistics

| | | |
|--------------------------|------------|-------------|
| Current Market Price | Rs. | 143.3 |
| 52 Week High/Low | Rs. | 227.3/115.0 |
| Market Capitalisation | Rs. Crores | 63.4 |
| Free Float | Rs. Crores | 30.5 |
| Dividend Yield | % | 2.1 |
| One Year Regression Beta | Times | 0.7 |

BSE Volumes Trend - Average = 6.71 Thousand

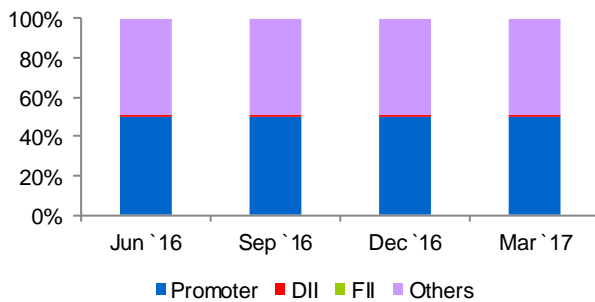


Relative Returns



| Returns | 1M | 3M | 6M | 1Y |
|----------------|-----|-----|------|------|
| Absolute | 2% | 3% | -6% | 9% |
| Rel. to Sensex | -2% | -3% | -20% | -10% |

Shareholding Pattern



Source: CARE, BSE and ACE Equity

Result analysis

Zenith Fibres Ltd.'s (ZFL) Q3FY17, total income decreased by 10.42% y-o-y to Rs.12.21 crore. The company's EBITDA stood at Rs.1.27 crore in Q3FY17 as against Rs.2.61 crore in Q3FY16. The company reported a net profit of Rs.1.05 crore in Q3FY17 as compared to net profit of Rs.1.88 crore in Q3FY16.

During 9MFY17, the company reported 15.97% y-o-y fall in net sales to Rs.38.57 crore while during this period EBITDA also decreased by 21.75% i.e. operating profit of Rs.7.88 crore. ZFL reported net loss Rs.4.48 crore during 9MFY17 as compared to net profit of Rs.6.02 crore during 9MFY16.

ZFL is trading at 8.68 times 12 months trailing EPS as on May 23, 2017.

Annual financial snapshot

| Income statement | FY14 | FY15 | FY16 |
|---------------------------|-------|-------|-------|
| Net sales (Rs. crore) | 55.57 | 66.89 | 63.83 |
| Growth in net sales (%) | 2.48 | 20.37 | -4.57 |
| Per share data (Rs.) | | | |
| Adjusted BVPS | 63.98 | 74.07 | 91.16 |
| Diluted EPS* | 7.67 | 13.36 | 19.20 |
| Key financial ratios | | | |
| EBITDA margin (%) | 11.72 | 14.87 | 22.18 |
| Adjusted PAT margin (%) | 6.10 | 8.83 | 13.30 |
| RoCE (%) | 18.09 | 27.47 | 35.86 |
| RoE (%) | 12.57 | 19.35 | 23.24 |
| Net debt to equity | -0.37 | -0.55 | -0.67 |
| Interest coverage (times) | 23.02 | 34.30 | 50.30 |

Source: BSE, ACE Equity and CARE Research

| Quarterly financials | Q3 FY17 | Q3 FY16 | Q2 FY17 | Growth | Growth |
|-------------------------------------|---------|---------|---------|-----------|-----------|
| | | | | Y-o-Y (%) | Q-o-Q (%) |
| Income statement (Rs. crore) | | | | | |
| Total income | 12.21 | 13.63 | 11.26 | (10.42) | 8.40 |
| Net sales | 11.73 | 12.92 | 10.61 | (9.23) | 10.50 |
| EBITDA | 1.27 | 2.61 | 1.59 | (51.38) | (19.92) |
| Depreciation and amortisation | 0.15 | 0.18 | 0.16 | (15.85) | (3.75) |
| EBIT | 1.12 | 2.43 | 1.43 | (54.06) | (21.74) |
| Interest | 0.04 | 0.06 | 0.10 | (40.98) | (62.11) |
| PBT | 1.56 | 3.08 | 1.63 | (49.27) | (4.17) |
| Ordinary PAT | 1.05 | 1.88 | 1.08 | (43.94) | (2.68) |
| Adjusted PAT | 1.05 | 1.88 | 1.43 | (43.94) | (26.50) |
| Per share data (Rs.) | | | | | |
| Diluted EPS* | 2.38 | 4.25 | 3.24 | (43.94) | 31.10 |
| Profitability ratio (%) | | | | | |
| EBITDA margin | 10.83 | 20.22 | 14.95 | | |
| Adjusted PAT margin | 8.64 | 13.80 | 12.74 | | |

Source: BSE, ACE Equity and CARE Research

| Peer comparison | Quarter ended December 31, 2016 | | | |
|---------------------------------|---------------------------------|---------|--------|-------|
| Income statement (Rs. crore) | ZFL | AIL | VAL | VPFIL |
| Total income | 12.21 | 2150.36 | 76.98 | 21.94 |
| Net sales | 11.73 | 2112.95 | 76.98 | 19.95 |
| EBITDA | 1.27 | -401.12 | 9.78 | 6.42 |
| Ordinary PAT | 1.05 | -856.76 | 6.05 | 4.47 |
| Adjusted PAT | 1.05 | -856.76 | 6.05 | 4.47 |
| Per share data (Rs.) | | | | |
| Diluted EPS* | 2.38 | NM | 0.75 | 10.16 |
| Growth (Y-o-Y) (%) | | | | |
| Growth in total income | -10.42 | -36.49 | -38.09 | 5.35 |
| Growth in net sales | -9.23 | -36.69 | -38.09 | 5.46 |
| Growth in EBITDA | -51.38 | NM | -44.43 | 20.02 |
| Growth in adjusted PAT | -43.94 | NM | -44.95 | 4.54 |
| Growth in EPS* | -43.94 | NM | -36.29 | 4.54 |
| Profitability ratio (%) | | | | |
| EBITDA margin | 10.83 | -18.98 | 12.70 | 32.19 |
| Adjusted PAT margin | 8.64 | -39.84 | 7.86 | 20.35 |
| Valuation ratios (Times) | | | | |
| Price/EPS (P/E) (TTM) | 8.68 | NM | 9.75 | 16.61 |

Source: BSE, ACE Equity and CARE Research

Note: ALK: Alok Industries Ltd., VAL: Vardhman Acrylics Ltd., VPFIL: Voith Paper Fabrics India Ltd.

NM: Non Meaningful

DISCLOSURES

Each member of the team involved in the preparation of this research report, hereby affirms that there exists no conflict of interest that can bias the research on the company.

DISCLAIMER

Please refer to our detailed disclaimer mentioned on the last page of the initial report on this company.

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