

ZENSAR TECHNOLOGIES LIMITED

**“NEW LEADERSHIP STIRRING ZENSAR TO
UNLOCK TRUE POTENTIAL”**

July 01, 2025





An Company

Company Information

BB Code	ZENT: IN EQUITY
ISIN	INE520A01027
Face Value (INR)	2.0
52 Week High (INR)	985.0
52 Week Low (INR)	558.5
Mkt Cap (INR Bn)	191.8
Mkt Cap (USD Bn)	2.2
Shares Outstanding (Mn)	227.1
Free Float (%)	50.2
FY27E EPS (INR)	37.7

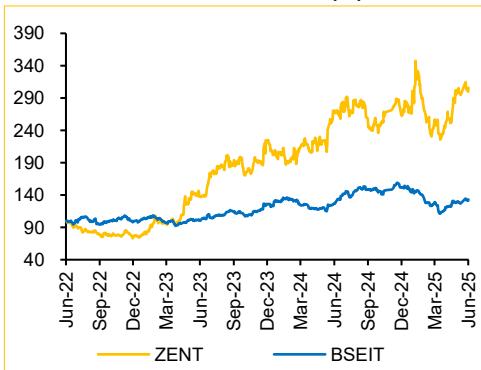
Shareholding Pattern (%)

	Mar-25	Dec-24	Sep-24
Promoters	49.07	49.10	49.14
FII	14.98	15.06	14.84
DII	19.89	19.83	19.05
Public	16.06	16.01	16.98

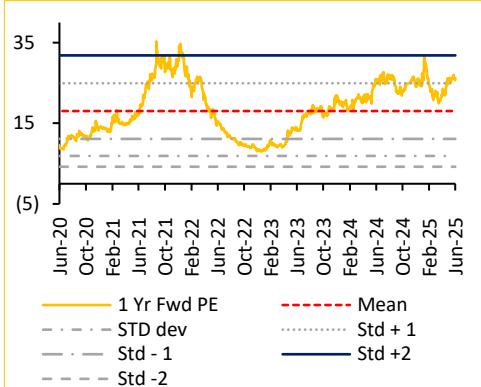
Relative Performance (%)

YTD	3Y	2Y	1Y
BSE IT	33.0	32.4	5.1
ZENT	205.8	121.1	13.3

Rebased Price Performance (%)



1 Yr Forward PE Band



Dhanshree Jadhav

Email: dhanshree.jadhav@choiceindia.com
Ph: +91 22 6707 9535

Rushil Katiyar

Email: rushil.katiyar@choiceindia.com
Ph: +91 22 6707 9887

NEW LEADERSHIP DELIVERY EVIDENT FROM IMPROVED FINANCIALS

We believe Zensar is a new turnaround story unfolding at RPG group led by its new leadership team. This is evident from strategic changes undertaken like:

- ✓ CEO Manish Tandon leading Zensar's story to bring in stability and agility
- ✓ Large deal wins fueled by incentivizing sales team structure
- ✓ Client centricity reflected in improved customer experience scores

The new initiatives are getting reflected on company's industry lowest attrition rates, better customer experience scores and improving profitability, which has witnessed 40% CAGR from FY23-25.

FOCUSED SERVICES AS ONE VALUE PROPOSITION DIFFERENTIATES

Zensar's focused services clubbed together as one value proposition has witnessed growth of 8.2% YoY v/s overall Top-line growth of 5.4% YoY in FY25. These services are resonating well with large clients meeting their customized needs at one go. This value proposition is also leading non-TMT verticals to drive double-digit growth for the company, further aided by broad-based geography growth strategy with expected recovery in South African market.

LEADING TCV CONVERSION, STRONG CASH, POISES ZENSAR FOR LEAP

Stable TCV wins with impressive industry leading revenue conversion rate of 90% builds confidence on future executional capabilities of Zensar. Moreover, it has witnessed 35% CAGR in cash equivalents from FY19-25, with zero debt on books & Mcap/OCF ratio of 30x, which retains investment comfort. We believe, Zensar's strong liquidity position compels for strategic buyouts/ investments on large deals, which would help accelerate its growth & profitability in future.

ZENSAR'S AI PLAYBOOK TO DRIVE INTELLIGENT OUTCOMES

Led by technology innovation at heart, Zensar aims to ride on the AI playbook, which is currently witnessing good client conversations across IT Industry. 44% of Zensar's deal pipeline is led by AI client conversations. Enterprises globally are looking for strong vertical led value propositions to invest on, which would accelerate their growth and profitability for long-term. Hence, Zensar is focussing on R&D initiatives through ZenLabs to come out with low cost, better technology offerings that would add great value to client's business outcomes.

INVESTMENT VIEW

Given its strategic long-term growth plan, we expect Zensar to deliver Revenue/ EBITDA/ PAT CAGR of 9.8%/ 10.4%/ 15.4% from FY25-FY27E on organic basis. Thus, we initiate coverage on Zensar with a BUY recommendation and Target Price of INR 1,130 which is an upside of 34%, by valuing the company at a PE of ~30x based on FY27E EPS of INR 37.7. Our target PE valuation stays conservative compared to higher valuations at which other mid-cap Indian IT companies are trading currently. Also, based on DCF valuation considering terminal growth rate of 3% we arrive at INR 1,150 as implied fair value per share. We consider DCF methodology from sanity check & analytical rigor perspective.

Key Financials - IND AS

INR Mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD Mn)	604	592	624	659	737	833
YoY (%)	6.0	(2.0)	5.4	5.5	11.9	13.0
Revenue	48,482	49,019	52,806	56,568	63,711	72,062
YoY (%)	14.2	1.1	7.7	7.1	12.6	13.1
EBITDA	5,522	8,717	8,167	8,568	9,960	11,536
EBITDAM %	11.4	17.8	15.5	15.1	15.6	16.0
Adj PAT	3,276	6,650	6,498	7,187	8,653	10,035
FDEPS	14.4	29.1	28.4	31.3	37.7	43.7
ROE %	11.0	18.7	16.0	15.8	17.0	17.5
ROCE %	12.4	20.7	17.6	16.7	17.6	18.3
PE(x)	17.7	16.6	25.5	27.2	22.6	19.5
EV/Sales (x)	0.9	1.9	2.9	3.3	2.9	2.6
EV/EBITDA (x)	8.1	10.7	18.9	21.5	18.7	16.2
Debt/Equity	-	-	-	-	-	-

Source: Zensar & Choice Institutional Equities

Report Structure

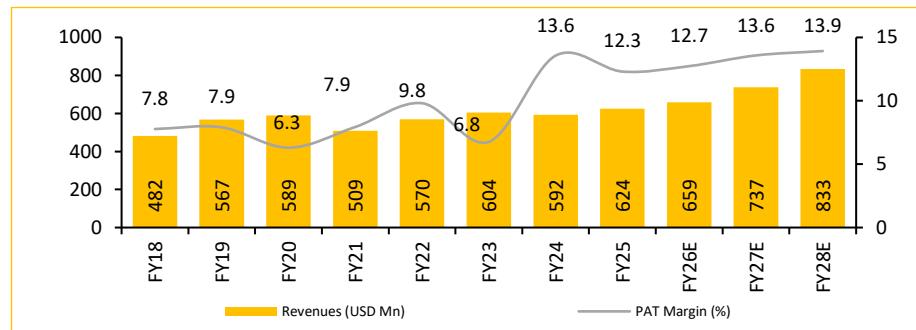
Sr. No.	Particulars	Page No.
1 Investment Thesis	<u>1.1 New Leadership Delivery Evident from Improved Financials</u> ✓ CEO Manish Tandon leading Zensar's story ✓ Large deal wins fueled by incentivizing sales team structure ✓ Client centricity reflected in improved customer experience scores	3
	<u>1.2 Focused Services as One Value Proposition Differentiates</u> ✓ Successful integration of M3bi driving growth across Focused services ✓ One-value proposition of Focused Services driving non-TMT verticals ✓ South Africa recovery to aid broad-based geography growth strategy	7
	<u>1.3 Industry Leading TCV Conversion, Strong Cash, Poises Zensar for Leap</u> ✓ Zensar witnessing impressive industry leading TCV conversion rates ✓ Strong cash generation to drive growth led by M&As & Large deals	10
	<u>1.4 Zensar's AI Playbook to Drive Intelligent Outcomes</u> ✓ AI to drive company's growth and profitability in long run ✓ Zensar's AI playbook v/s Peers ✓ Focus on Intellectual capital to augur well for qualitative growth	12
2 Industry Overview	<u>2.1 GLOBAL - Industry trends driving IT spends led by AI</u> ✓ IT Industry globally marching towards AI led technology revolution ✓ Sectors across the board are investing in Agentic AI POCs	16
	<u>2.2 DOMESTIC - Industry trends driving IT spends led by AI</u> ✓ Indian IT Industry echoes global IT industry sentiments driving AI led growth story	18
3	<u>Relative Analysis (Zensar V/s Peers)</u>	19
4 Investment View	<u>4.1 Key Concerns</u>	20
	<u>4.2 Key insights from Management meeting</u>	20
	<u>4.3 View & Valuation</u>	20
5 About the Company	<u>5.1 Introduction</u>	21
	<u>5.2 About the Management</u>	24
	<u>5.3 Key Milestones</u>	26
6 Financial Analysis	<u>6.1 Sequential Operating Metrics</u>	27
	<u>6.2 Financials & Ratios</u>	28
	<u>6.3 Graphs & Trends</u>	29

1.1 NEW LEADERSHIP DELIVERY EVIDENT FROM IMPROVED FINANCIALS

Zensar - Another turnaround story under RPG group begins as New Leadership takes over

CEO Manish Tandon Leading Zensar's Story

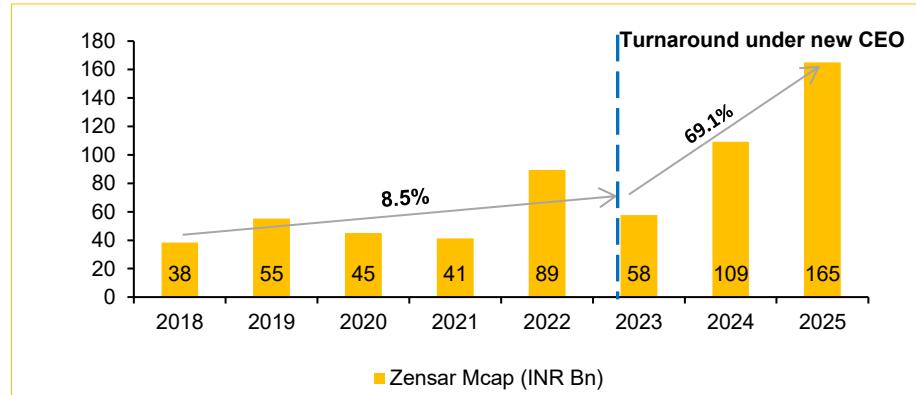
During FY23, RPG Group appointed Anant Goenka (son of RPG Group chairman) as interim M.D. at Zensar and under Anant's supervision, leadership level changes started at Zensar with hiring of senior people largely from Tier-1 IT companies. RPG group then appointed Manish Tandon as new M.D. and CEO of Zensar effective Jan 2023. Under Manish's Leadership Zensar has started witnessing a major turnaround, recording Revenue and PAT CAGR of 4.3% and 40.8% respectively with 550bps net margin expansion from FY23-25.



Source: Zensar & Choice Institutional Equities

Zensar had witnessed 8.5% CAGR average annual Mcap from FY18-FY22, while the same moved up from INR 58Bn in FY23 (post Manish Tandon joining) to INR 165Bn in FY25 at a CAGR of 69.1% (~3 times rise in Mcap starting just 2 years back). **We thus believe, the turnaround story which has just begun at Zensar in FY23 is yet to maximize its potential.**

Zensar – Mcap takes leap from FY23

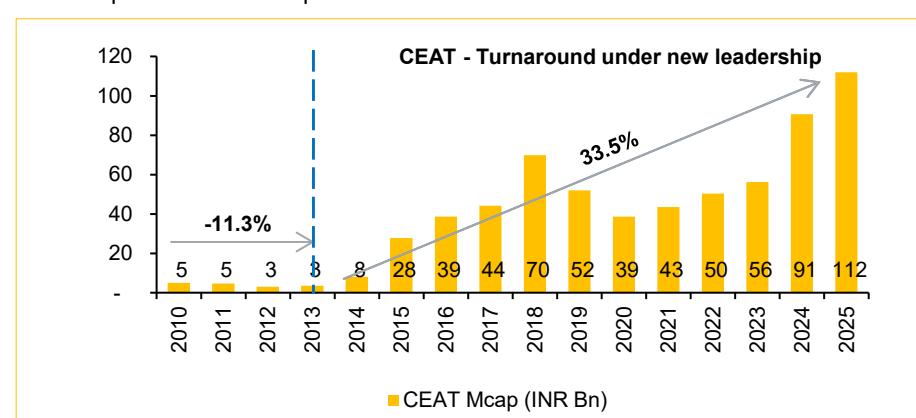


Source: Zensar & Choice Institutional Equities

Derived belief from CEAT – a decade old successful turnaround at RPG group

Moreover, **we derive our belief in Zensar's turnaround from RPG Group's decade ago successful turnaround at CEAT (one of the largest tyre maker in India).** A decade ago, in 2013, Anant Goenka took over as M.D. of CEAT, which under his leadership started witnessing impressive growth. This led to over 30x expansion in its Mcap from INR 3Bn in FY13 to INR 112Bn in FY25.

CEAT – Mcap takes leap from FY14



Source: Zensar & Choice Institutional Equities

New Leadership weaving new story at Zensar
Vice-Chairman – RPG Group
Mr. Anant Goenka

(Joined as interim MD at Zensar in Nov'22)

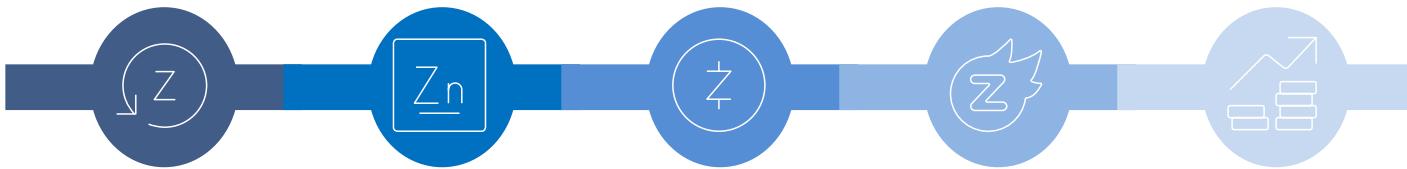
Infused leadership level changes by hiring of senior people from Tier-1 IT companies.

CFO -Pulkit Bhandari (joined Zensar Aug'24)

- Impressive cash generation to fuel M&As & large deals rampups
- Excl. TMT vertical, topline growth started to takeoff from 3% in FY24 to 12% in FY25

FY25

- Zensar's AI playbook to drive qualitative growth hereon


CEO & MD- Zensar
Manish Tandon

(Joined as CEO & MD Zensar Jan'23)

- Incentivizing sales team structure
- Focus on large deals
- Focus on client centricity
- Focus on one value proposition
- Consistent TCV wins

COO- Vijayasimha Alilughatta
(joined Zensar Aug'24)

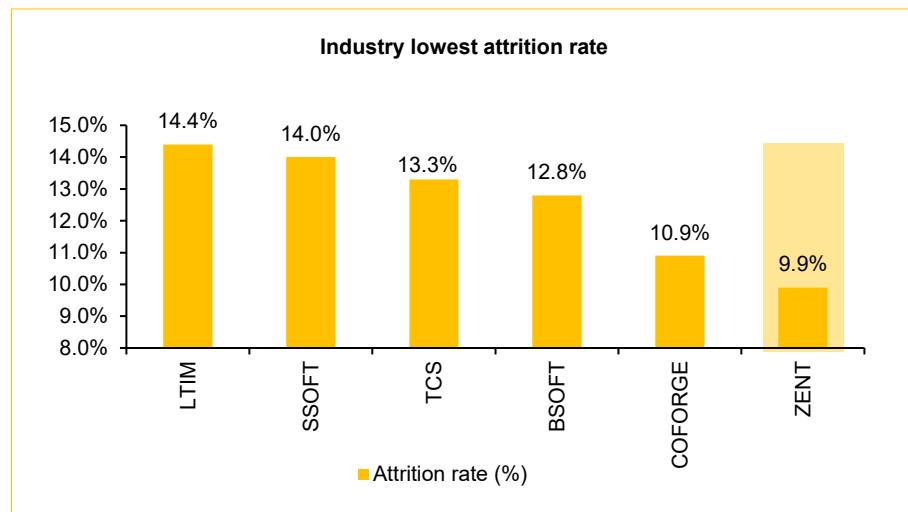
- Talent transformation through advanced skill development
- Industry lowest attrition rates
- Industry leading utilization rates

Source: Zensar & Choice Institutional Equities

Industry lowest attrition rates as new leadership brings Agility & Stability

The new leadership team members have brought in newer experiences, agility at work, resulting in lot of stability. Hence, the attrition rate has been coming off reflecting consistency in talent led growth. Zensar's voluntary attrition reduced consecutively for 11th quarter by 10 bps Q-o-Q and 100bps Y-o-Y to 9.9% in Q4FY25.

Talent transformation led by new leadership brings more stability; lowering attrition rates



Source: Zensar & Choice Institutional Equities

Talent transformation through advanced skill development

In FY25, Zensar has up-skilled more than 50% of workforce in AI/GenAI by leveraging the multilevel training programs of its Ignite academy as well as various certification drives that it had instituted in collaboration with alliance partners. Throughout FY24, the company had launched immersive programs to enrich its employee's capabilities in critical domains such as solution architecture, product management and program management. The current headcount of Zensar stands at 10,700+ as on FY25.

Large deal wins fueled by incentivizing sales team structure

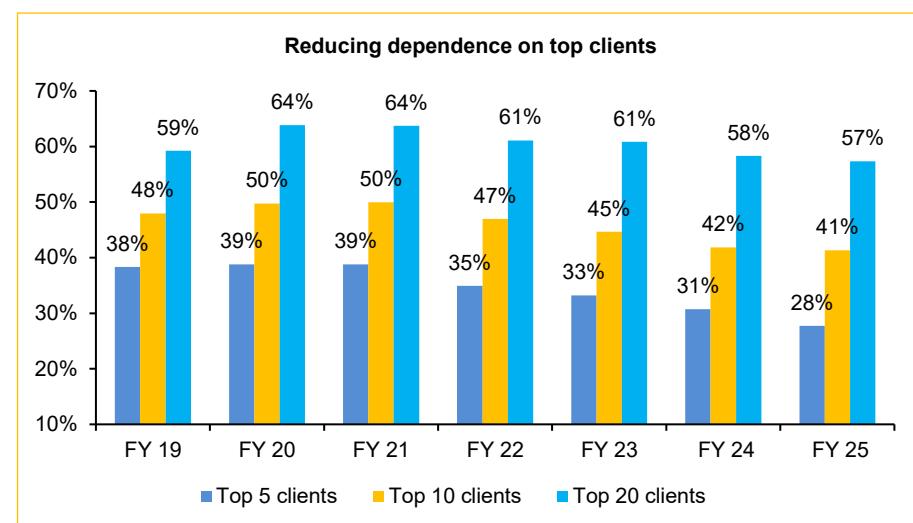
Zensar is putting in extra effort and focus on executing large deal closures, which it expects to be better in FY26 versus FY25. Though, the probability of RFP led large deals coming in market has stayed muted for quite some time, however, Zensar is proactively creating large deals and there the deal pipeline for Zensar remains good. This is led by the:

- ✓ **New incentive structure** - Zensar has announced new incentive structure for sales team by giving them over 100% performance-based bonus to drive large client accounts by doing more of up-selling and cross selling.
- ✓ **New platform for sales function** – Internally, the company has established a new platform, comprising strategic alliances, pre-sales and inside sales operations. This has enabled the company to recently win a large deal from UK based Tesco Insurance.
- ✓ **Higher net new wins** – The new incentive structure is enabling higher proportion of net new wins for Zensar, which stands in range of 60-65%. This is despite of the concerning global economic outlook.

Thus, we believe the company's focus on large client accounts is reflecting in revenue growth of Top 20 clients account, while that of Top 5 & Top 10 client contributions is gradually coming off with more additions of net new wins thereby de-risking the model aiming for more sustainable growth in long-term.

New leadership designs new incentive structure to drive large deal growth

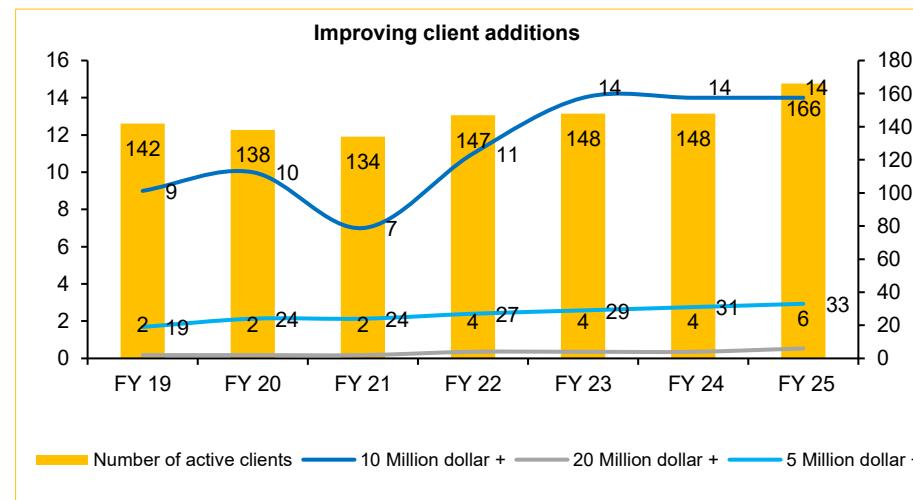
Reduction in Top client dependence offset with net new wins thereby de-risking model for sustainable long-term growth



Source: Zensar & Choice Institutional Equities

Deeper farming & cross-selling efforts to aid large client accounts growth

Even the number of clients within the USD 20Mn client bucket has increased gradually from 2 in FY19 to 6 as on FY25. In Q4FY25, one key customer of Zensar moved into USD 20Mn bucket due to deeper farming efforts. Number of active clients has also gone up to 166 as on FY25 on account of the company making progress on cross selling and account farming efforts, which should accelerate going forward.



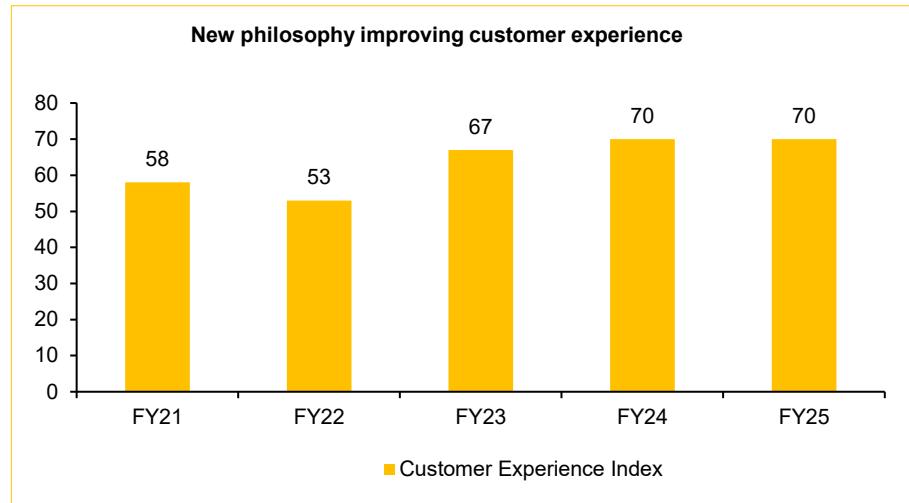
Source: Zensar & Choice Institutional Equities

Client Centricity & collaborations to drive differentiated growth for Zensar

Client Centricity reflected in improved customer experience scores

Zensar's new core philosophy is "Experience-led Everything"

The new core philosophy emphasizes on 3 pillars of Experience-Engagement-Engineering as technology is not just about products & services it is more about maintaining end-to-end focus on each client's business priorities. This philosophy is resonating well with clients, which is reflected from Zensar's improving customer experience index scores on consistent basis.



Source: Zensar & Choice Institutional Equities

Two large clients have recognised Zensar as AI partner v/s an IT provider differentiating it from competition

Increased clarity on ranking within Top 25% of Industry performers

- ✓ Zensar is focused on doubling down its efforts, using innovative thinking and smart collaborations to achieve meaningful outcomes for clients.
- ✓ It will focus to stay preferred client partner by diversifying client base, broadening market reach and nurturing relationships.
- ✓ Client centricity will be at core of everything by developing robust go-to-market strategy that aligns with client's business priorities.

Evolving from being a technology provider to strategic client partner

Zensar has been focusing away from just being a technology provider towards creating more meaningful & exceptional client experiences. **Hence, it is focused on improving client satisfaction scores and maintaining agility by even learning from new start-up clients.** 2 large clients have chosen Zensar as AI partner, while they have chosen other IT vendors as service providers.

Example – Zensar responded swiftly on the CrowdStrike incident. The leadership team's dedication & problem solving skills were instrumental in mitigating the damage, earning praise from clients. This highlights Zensar's strong capabilities, which are getting reflected on improving customer experience scores.

(On 19 July 2024, American cybersecurity company CrowdStrike distributed a faulty update to its Falcon Sensor security software that caused widespread problems with Microsoft Windows computers running the software. As a result, roughly 8.5Mn systems crashed and were unable to properly restart in what has been called the largest outage in the history of information technology in recent time).

1.2 FOCUSED SERVICES AS ONE VALUE PROPOSITION DIFFERENTIATES

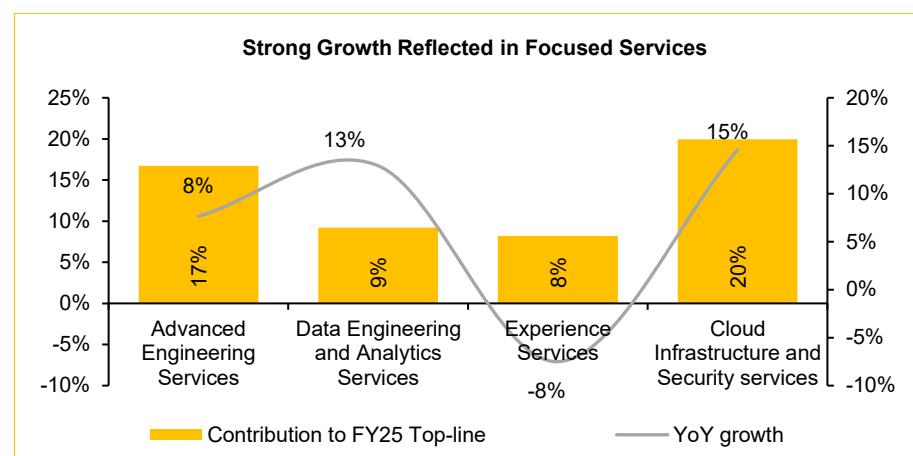
Zensar's Advance Engineering, Experience and Analytics offerings acquired from M3bi are resonating well with large clients v/s Tier1 vendors offerings

Successful integration of M3bi driving growth across Focused services

Following are Zensar's focused services, which clubbed together as one value proposition has witnessed growth of 8.2% YoY v/s overall top-line growth of 5.4% YoY in USD terms in FY25.

- a) Advanced Engineering
- b) Data Engineering & Analytics
- c) Experience Services
- d) Cloud Infrastructure & Security Services

Zensar acquired M3bi, a US and India based Data Engineering, Big Data and Advanced Analytics and Digital Engineering firm in May 2021. M3bi added marquee clients to Zensar's portfolio in BFSI and other verticals too, allowing to jointly drive an expanded set of offerings to large global clients. This combination has been successfully pitching and winning deals across even Tier - I IT vendors putting forward its strong value proposition by clubbing these four focused services together to meet customized needs of large clients at one go. This is resonating well with clients.



Source: Zensar & Choice Institutional Equities

Long-term partnerships with large global Hyperscalers boosting Zensar's Cloud Services growth within Focused services

Cloud Infrastructure services growth led by Hyperscalers partnerships

Cloud Infrastructure & Security Services is big part of focused services of Zensar contributing 20% to top-line and witnessing 15% YoY growth in FY25. Cloud services are expected to grow well even going ahead backed by Zensar's strategic partnerships with large Hyperscalers like Adobe, AWS, Oracle, Salesforce, Microsoft Azure, ServiceNow and Google amongst many others.



Zensar, an Adobe Gold Partner for 7 years, delivers personalized marketing and real-time analytics that boost conversions, enhance acquisition, and drive lasting customer engagement.



As an Amazon Connect Partner, Zensar delivers cloud contact center solutions enhancing efficiency, engagement, and outcomes, while supporting AWS through experience-led engineering in Focused Services.



With a 20-year Oracle partnership, Zensar delivers end-to-end cloud solutions. Oracle's proprietary tools accelerate cloud adoption and cut client support costs by 50%.



Zensar, a 10-year Salesforce partner, has delivered global projects, offering AI-powered Enterprise Asset Management and Prescient solutions for field services and the auto finance industry.



Zensar partners with Microsoft Azure, combining engineering strength and tailored cloud adoption frameworks to drive cloud-native transformation, enhance maturity, and accelerate business outcomes.



As a ServiceNow Premier Partner, Zensar accelerates business transformation with innovative solutions focused on customer and employee experience, operational excellence, hyper-automation, and low-code technologies.

Zensar's Experience Design Services to drive qualitative growth with discretionary spends picking up by fag end of FY26

New technology initiatives would continue to drive revenue contribution from Focused services, which have grown from 50% in FY22 to 54% in FY25 on consistent basis

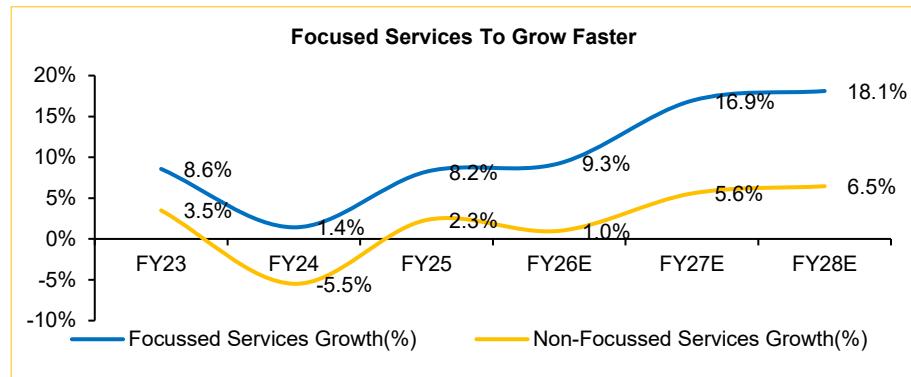
Growth lag in Experience Services to witness uplift

Over time, Zensar has built good competencies on Experience design interface. Experience services, which have been de-growing since past 3 years are now expected to return to growth with large discretionary spending picking up mainly in Experience design services by fag end of FY26. Moreover, **since these services are consulting led, they get billed at higher pricing rates compared to other services of Zensar. So, even a little pick up in these services will add to company's growth going ahead.**

Adding new services to aid growth of Focused services on consistent basis

Zensar also aims at enriching existing services lines and making strategic investments on adding newer ones. Recently the company has added Enterprise SaaS (ESaaS) and earlier Advance Engineering offerings.

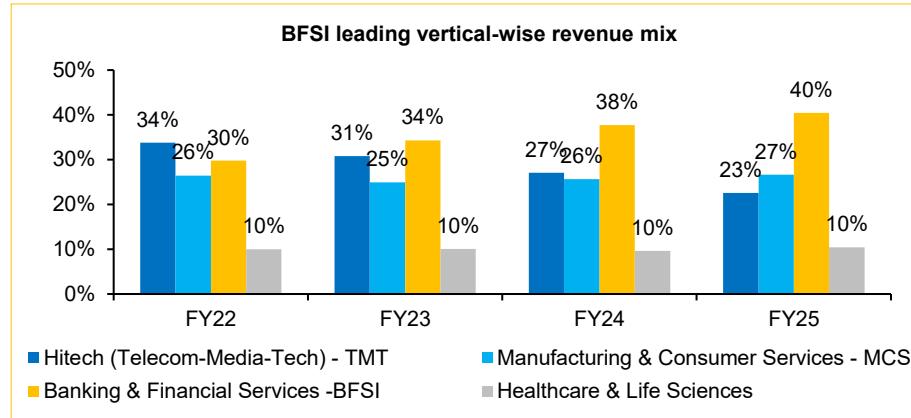
Thus, we believe Focused Services would continue to grow well in long-term led by various new technology initiatives the company has been undertaking proactively.



Source: Zensar & Choice Institutional Equities

One-value proposition of Focused Services driving Non-TMT verticals

Revenue contribution of TMT is gradually coming off while that of other verticals led by BFSI to drive double digit growth



Source: Zensar & Choice Institutional Equities

Strong competencies in BFSI leading to large wins for Zensar e.g. UK's Tesco

BFSI - Amongst verticals, Zensar has developed strong competencies in BFSI vertical, which were further strengthened by M3bi acquisition. This is driving the growth for the company since past few years. Other than gaining traction in Banking client accounts, the company has been gaining good client traction even in Insurance area led by competencies acquired on Guidewire implementation.

Thus, with its strong farming and hunting efforts, Zensar has won a large new strategic partnership deal with Tesco Insurance. The project encompasses the modernization of end-to-end infrastructure, network services, application hosting and contact center operations for Tesco IMS (The UK's second-largest provider of travel money services).

BridgeView to expand Zensar's Healthcare offerings by gradually growing into a leading Life-sciences solutions company with Veeva Systems expertise

Healthcare & Life Sciences - With Bridgeview acquisition, Zensar has acquired expertise of Veeva Systems (it's built on Salesforce platform and provides cutting-edge cloud-based software, data analytics, and consulting services designed to enhance clinical, regulatory, and commercial operations) within Healthcare & Life-Sciences vertical.

MCS - Pick up in discretionary spends in Design Interface area under Experience services should drive growth of MCS vertical going ahead.

Top client revenue deceleration to get arrested plus Zensar's newly built focus on Gaming Industry would stabilize TMT going ahead

Zensar has developed its own gaming studio by acquiring Foolproof & IndigoSlate

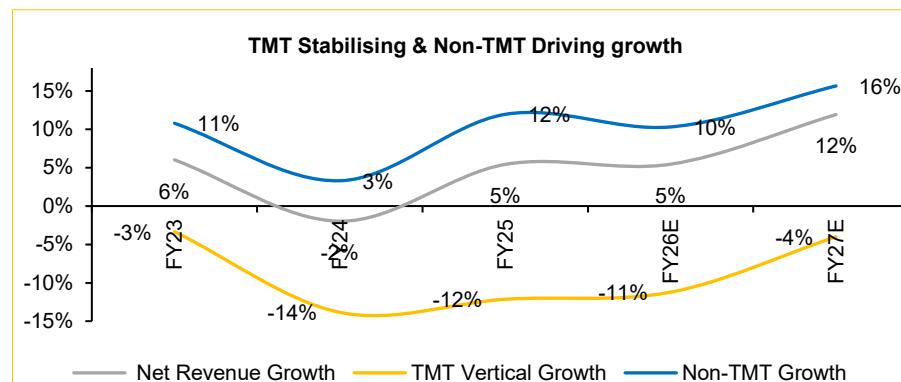
Gaming Industry size in CY24:

N.America USD 49Bn
3% CAGR FY22-27E

India USD 1.5Bn
14.1% CAGR FY22-27E

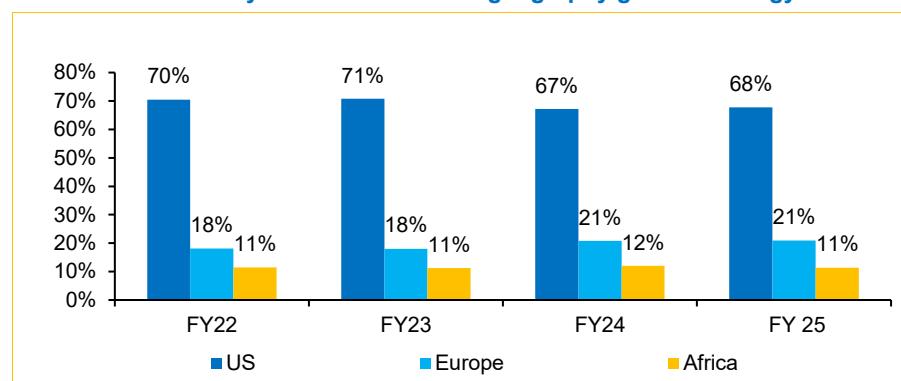
TMT - Zensar's Top client has been going through operational challenges resulting in cutting down on discretionary spends. This client is from TMT vertical, which is reflecting in major de-growth in Zensar's TMT vertical since past few years. Though the Top client contribution has declined from ~26% of Top-line to ~10% as on date, it is however expected to stabilize going ahead.

Recognizing the growth opportunity of the gaming industry globally, Zensar has developed its own gaming studio for engineering services and created companies FoolProof & IndigoSlate for design and marketing. **This would help stabilizing to some extent the ramp down in TMT vertical going ahead.**



Source: Zensar & Choice Institutional Equities

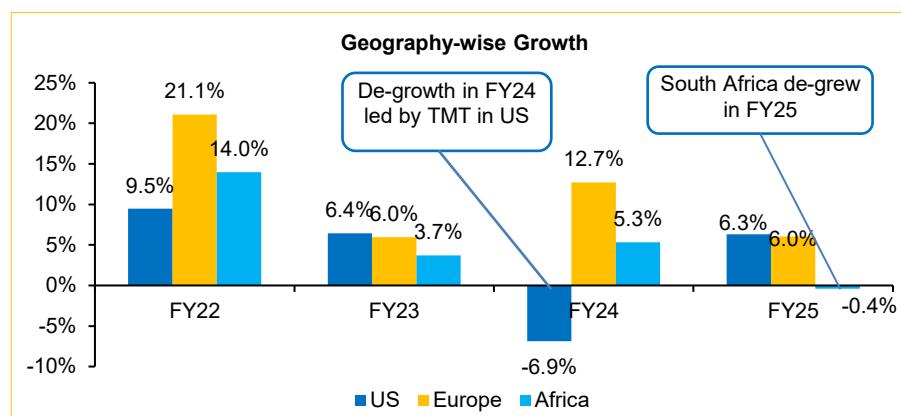
South Africa recovery to aid broad-based geography growth strategy



Source: Zensar & Choice Institutional Equities

Zensar realizes its revenues from 3 geographies; US, Europe & Africa, which are witnessing broad-based growth across markets, except for impact of TMT de-growth in US during FY24 and geo-political & global macro challenges impacting the South Africa growth in FY25 (**which we believe would start seeing macro recovery in FY26 as FY25 was a bit of an aberration led by African Rand depreciation v/s INR**).

South Africa is one of the few markets in the world where Zensar is in the top 3 IT vendors group ahead of TCS with higher market share. The company is well accustomed with the cultural ecosystem of this market and competes there with Tier 1 IT vendors by working for the Top10 - 20 global clients. **Hence, company can do new things there that can be used as case studies to open new logos or add existing logos in the US and Europe.**



Source: Zensar & Choice Institutional Equities

1.3 INDUSTRY LEADING TCV CONVERSION, STRONG CASH, POISES ZENSAR FOR A LEAP

Zensar witnessing impressive industry leading TCV conversion rates

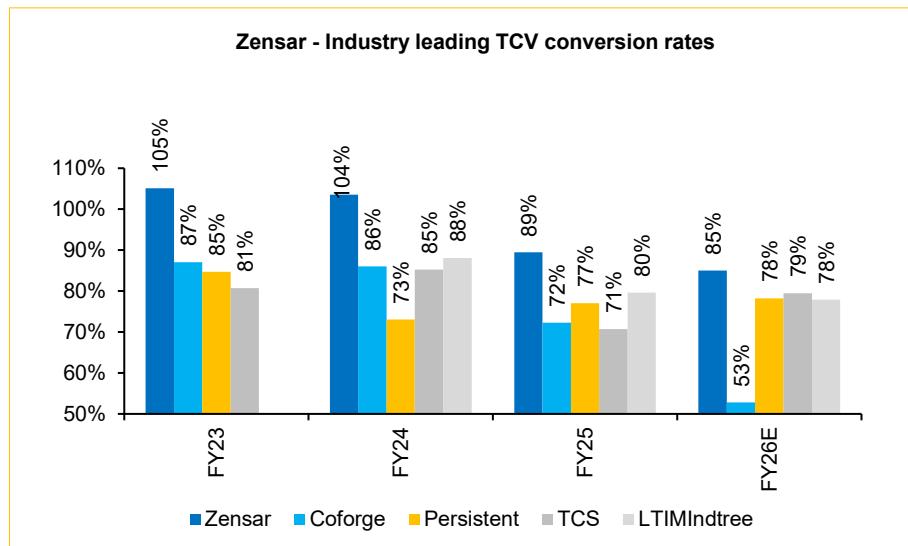
Zensar is not just witnessing consistency in Annual TCV wins, but its TCV conversion rates into annual revenues also stands out compared to peers, which exhibits good revenue conversion of TCV booked and reported.

TCV wins across peers

Total TCV wins (USD Mn)	FY22	FY23	FY24	FY25
Zensar	575	572	698	775
IT Midcaps (under coverage)				
Coforge	1,151	1,265	1,973	3,456
Persistent	1,223	1,624	1,829	2,103
IT Largecaps (under coverage)				
TCS	34,600	34,100	42,700	39,300
LTIMIndtree	NA	4,870	5,640	5,990

Source: Choice Institutional Equities

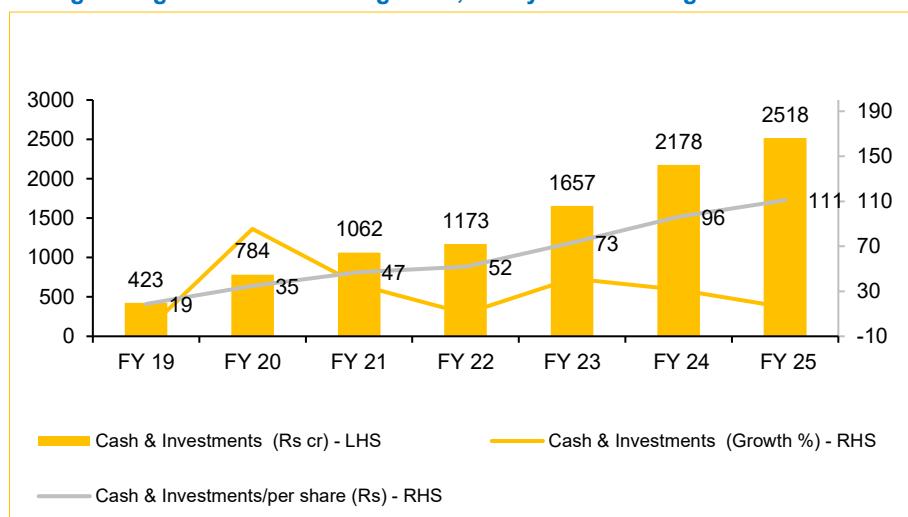
In FY25, Zensar's Annual revenue conversion rate for TCV booked in FY24 stood at 89%, which is highest compared to both large as well as mid-cap IT players



Notes: 1. TCV comparison based on Total TCV reported by companies, where Zensar stands out with better conversion rates than peers,
 2. LTIMIndtree started reporting TCV from FY24 post-merger

Strong cash generation to drive growth; led by M&As & Large Deals

Strong cash, zero debt and Mcap/OCF ratio of 30x, helps retains investment comfort.



Strong cash generation on consistent basis

Zensar has witnessed 35% CAGR in Cash Equivalents including liquid Investments from FY19–25, which is quite impressive. Strong liquidity position allows Zensar to look opportunities for strategic buyouts/investments on large deals, which certainly would augur well for overall growth and profitability of company from long-term perspective.



Source: Zensar & Choice Institutional Equities

Strong cash provides buffer for attractive M&A buyouts with better profitability ratios & rising dividend payout

Scouting for attractive M&A opportunities

Zensar has done last strategic acquisition of BridgeView Lifesciences (acquired for USD 25Mn in July 2025), which has expanded its Healthcare portfolio.

The below table highlights some of the strategic acquisitions the company has been doing from time to time to expand its capabilities through inorganic growth. Thus, **we believe given the strong cash & equivalents of +INR25Bn poised well for Zensar to go for strategic M&As and buying out attractive assets led by global macro uncertainty. However, the company stays vigilant on the financial prospects of the target M&A company, which it expects should be margin and EPS accretive thereby further improving Zensar's overall profitability. It will also evaluate M&A opportunities based on ROCE in the range of 15-17%.**

ZENSAR - STRATEGIC ACQUISITIONS

Date	Company	Value	Location base	Capabilities added
2014	Professional Access Inc	N/A	US	Market leadership & impressive client list in Oracle e-Commerce space enables delivering Oracle enterprise and digital commerce solutions to retailers and manufacturers globally
2016	Foolproof, Inc.	N/A	London	User Interface, User Experience Strategy & Planning. Design and create digital products for customers
2017	Keystone Logic	N/A	US	Omni-channel retail order and warehouse management. Digital Supply Chain, Direct to Consumer fulfilment – Order Management, Warehouse Management expertise. Supply Chain Competency – Implement, Engineer, Optimize, Support
2018	Indigo Slate	USD 18Mn	US	Digital marketing services. CX, UX, Design & Content Development capabilities. High-quality digital studio and local CX/UX presence in the US
2018	Cynosure INC	USD 33Mn	US	Guidewire capabilities. Entry into Property and Casualty Insurance sector. Core system modernization
2021	M3bi	USD 33Mn	US	Capabilities strengthened in Data Engineering and Advanced Analytics, Advanced Engineering and Experience Services. Strengthens BFSI and other verticals
2024	BridgeView Life Sciences	USD 25Mn	US	Expands Zensar's healthcare and life sciences offerings, providing a wider range of solutions for pharmaceuticals, biotechnology, and medical device companies through its partnership with Veeva Systems

RECENT ACQUISITIONS DEMONSTRATES INORGANIC GROWTH REPORTED BY MID-CAP IT PLAYERS

Company	Date of Acquisition	Target M&As Annual Revenue Run Rate	Revenue Pre-Acquisition	Revenue Post-Acquisition
Happiest Minds	25-Apr-24	Puresoftware – USD 43Mn	FY24 - USD 196Mn	FY25 - USD 244Mn
	09-May-24	Aureus - USD 5.8Mn		
Coforge	20-Dec-24	Cigniti – USD 230Mn	FY24 - USD 1,119Mn	FY25 - USD 1,455Mn
	23-Jan-25	Xceltrair - USD 5.8Mn		
	05-Mar-25	Rythmos - USD 25.3Mn		
	05-Mar-25	TMLabs - AUD 11Mn		

Source: Choice Institutional Equities

Dividend payout to rise led by consistency in performance

Considering improving financial performance Zensar, have decided to materially increase its dividend payout ratio of 26%-35% over the past 5 years to 40%-50% going forward as mentioned during Q4FY25 results. This should bode well for long-term wealth creation of stakeholders.

1.4 ZENSAR'S AI PLAYBOOK TO DRIVE INTELLIGENT OUTCOMES

AI to drive company's growth and profitability in long run

As on date, 44% of Zensar's deal pipeline is led by AI-led client conversations as Zensar wants to be recognized as AI-first organization. Zensar's order book stood at USD 213.5Mn in Q4FY25 up 4% QoQ and this was the third quarter in a row that the order book exceeded USD 200Mn. Zensar's differentiated proposition in AI space across all verticals and service lines have enabled to capture client mind share leading to consistent growth in TCV. Also, the net new deal wins contributed as high as over 60% to this TCV wins for which Zensar is competing with Tier-1 players. Thus, despite of slowdown in discretionary spends during FY25 Zensar has witnessed 11% YoY growth in full year TCV to USD 775Mn.

Zensar's differentiated AI offerings resonating well & driving 44% of Zensar's deal pipeline led by client conversations

50+ AI/Gen AI tools	30+ Solutions using AI	44% AI led Pipeline
4800+ Employees Trained and Certified in AI/GenAI Skills	1000+ AI Certifications Completed through focused certification drives	41000+ Hrs. of AI trainings through certification drives

Source: Zensar & Choice Institutional Equities

Zensar's AI philosophy - 'Lead With Experience, Leap With Intelligence'

Zensar's AI strategy embodies commitment to help clients get ready for digital future through AI. By turning data into actionable insights we believe, Zensar's AI solutions to drive efficiency, innovation and help clients unlock new growth opportunities thereby intelligently transforming businesses by elevating human experiences. **Following are Zensar's AI offerings;**

AI Amber

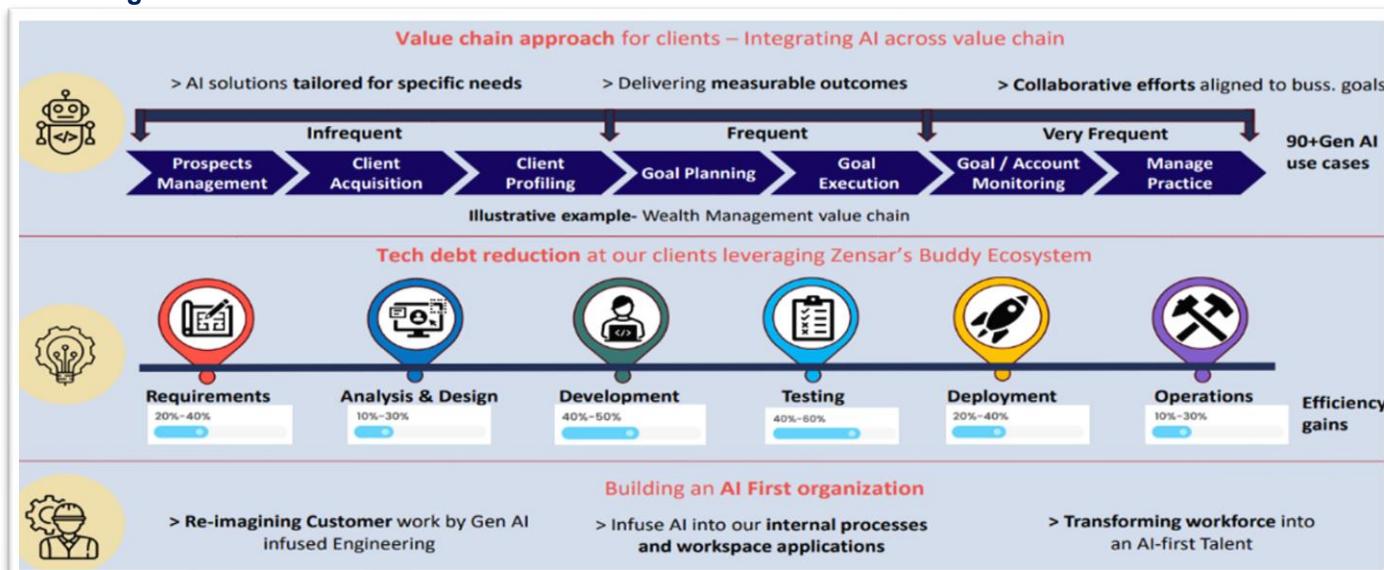
Zensar is using AI primarily as a differentiator to win against competition and create enriching experiences for clients and employees. The company's AI Amber offerings is to drive organizational productivity internally.

AI Engineering Buddy

'AI Engineering Buddy' is an offering in partnership with Microsoft powered by Azure OpenAI. Zensar has assembled a team of Open AI specialists, Prompt Engineers and engineering subject matter experts (SMEs) who have conducted an extensive range of experiments leveraging Azure Open AI across diverse use cases. This offering serves as a valuable resource for developers and testers, providing them with blueprints to improve efficiency and overall productivity through innovation within the Open AI GPT ecosystem. This collaborative approach with the AI Engineering Buddy enables organizations to achieve potential benefits of 15% to 20% improvement in delivering value to customers. Through the AI Engineering Buddy's guidance, developers and testers can streamline their workflows, optimize code quality, and enhance customer satisfaction by delivering high-quality solutions.

Zensar's various AI offerings include AI Amber, AI Engineering Buddy, The Vinci and Agentic RAG.

Embracing an AI centric future



Source: Zensar

'The Vinci' – Zensar's Integrated Managed Services AIOps Platform

AI for IT operations (AIOps) is essential for making the IT ecosystem more intuitive and automation-ready under challenging scenarios. **Through its real-time analytics and automation platform 'The Vinci', Zensar delivers AIOps capabilities that enhance IT functions through event correlation and analysis, anomaly detection, root cause analysis, and natural language processing (NLP).** Zensar has partnered with leading Enterprises, across industries to drive their profitability using AI-powered IT, resulting into improved business agility, operational efficiency and scalability.

'Agentic RAG' – Zensar's Agentic AI application on 'The Vinci' Platform

Zensar has been proactively investing on Agentic AI application, which is expected to have stronger impact on Enterprises long-term growth prospects

In today's digital landscape, businesses and organizations face the challenge of navigating vast amounts of data, making swift decisions, and executing actions in real time. To address these challenges, Zensar has developed a cutting-edge Agentic gen AI application 'Agentic RAG' based on 'The Vinci' platform designed to not only retrieve and interpret information but also to take decisive actions based on that data. **Agentic RAG solution combines the power of advanced natural language processing (NLP), multi-source data integration, and automated action execution into a single, seamless platform. Whether you need to pull insights from diverse data repositories, answer complex queries, or automate critical processes, Agentic RAG application is built to handle it all with precision and efficiency.**

GenAI is expected to have limited positive impact on enterprises, while Agentic AI is expected to have stronger impact on Enterprises long-term growth prospects and Zensar has been proactively investing in it.

Agentic RAG = Advance NLP + Multi-source Data integration + Automated Decisive Action

Zensar's 'Agentic RAG' – Industry Use Cases

Automated Customer Support	Monitoring BFSI
RAG can retrieve relevant information from customer databases	RAG monitors vast amounts of Regulatory & Compliance data
Understand the context of the customer's inquiry	Retrieves relevant information, interpret regulatory changes, and
Real-time actions - updating order statuses, processing refunds, or sending follow-up emails	Real-time actions - updating policies, flagging high-risk transactions, or notifying compliance officers
Output - Significantly reduces response time and enhances customer satisfaction by minimizing human intervention	Output - Ensuring organization stays aligned with the latest regulatory standards
Dynamic Content Management	Decision Support in Healthcare
RAG can analyze customer interactions	The system can interpret complex clinical queries
Retrieve relevant content from diverse data sources	Retrieve relevant patient history
Real-time actions - tailoring emails, updating web content, or launching targeted campaigns	Preliminary actions - recommending follow-up tests or flagging critical health markers
Output - Personalized experience, boosts engagement and automates content management workflows	Output - Improves patient outcomes as Healthcare Providers take faster action on Real-time decisions

Source: Zensar & Choice Institutional Equities

Zensar's AI playbook v/s Peers

Zensar offers specialized, modular AI solutions through its 'The Vinci' platform, while larger Indian IT players like TCS, Infosys, Wipro, HCL Tech, and Tech Mahindra focus on broad, enterprise-wide AI transformation platforms.

Zensar's Agentic RAG architecture allows creation of task-specific AI agents for business processes. This includes real-time orchestration and seamless integration with LLMs and enterprise data. **It also offers faster deployment and time-to-value with leaner teams and cloud-native, LLM-agnostic architecture**, while larger players face more overhead and longer deployment times.

AI Offerings Zensar vs Peers		
Aspect	Zensar	Large Indian IT Players
AI Platform	"The Vinci™ Platform" with capabilities like Agentic AI, RAG (Retrieval-Augmented Generation), and AI accelerators.	Platforms like TCS's Cognix, Infosys' Topaz, Wipro's ai360, HCLTech's AI Force, and TechM's AmplifAI.
Focus	Specialized, modular AI frameworks targeted at specific enterprise needs.	Broad enterprise platforms aiming at full-scale digital transformation.
Approach	Light-weight, API-first, plug-and-play agentic AI solutions.	Heavyweight, full-stack enterprise AI transformation solutions.

Source: Zensar & Choice Institutional Equities

How Zensar's Agentic RAG architecture differentiates with peers ?

1. **Agentic AI-first architecture** (rather than just embedding AI in apps).
2. **Rapid, modular solutions** tailored to enterprise micro use cases.
3. **Strong focus on RAG, orchestration, and domain intelligence.**

Zensar's Agentic RAG uses domain trained AI agents v/s non-modular LLM integration done into Enterprise Apps by large peers

While Zensar lacks the scale of Indian IT giants, **it leverages nimbleness and innovation to position itself as a next-gen AI transformation partner, especially attractive to mid-sized and forward-thinking enterprises.**

Example: Agentic RAG helps in automating financial close processes, HR onboarding using domain-trained AI agents. In contrast, most IT giants still center on LLM integrations into enterprise apps, not building modular, task-driven AI agents.

Customization and Client Co-Creation

Zensar	Large IT Players
Highly customizable with domain-specific accelerators.	Standardized, large-scale implementation blueprints.
Co-innovation labs with clients (especially in BFSI, Retail, Hi-Tech)	Focus on long-term managed services contracts and platform licensing.

Source: Zensar & Choice Institutional Equities

Zensar's AI Playbook V/S Peers
Zensar's AI playbook - Peer Comparison

Feature	Zensar	TCS	Infosys	Wipro	HCLTech	Tech Mahindra
AI Brand	Vinci™	Cognix	Topaz	ai360	AI Force	AmplifAI
Agentic AI Focus	High	Low	Medium	Medium	Minimal	Medium
RAG Architecture	Advanced	Emerging	Moderate	Moderate	NA	Moderate
Modular AI Accelerators	NA	Standardized	NA	NA	NA	NA
Client Size Focus	Mid-large	Large/global	Large/global	Large	Large	Large
Agility / Time-to-market	Fast	Moderate	Moderate	Moderate	Slow	Moderate
LLM Agnostic	Yes	Mixed	Yes	NA	NA	NA

Source: Zensar & Choice Institutional Equities

Zensar is strengthening IP by building platform to track ideas from their ideation to action stage.

Intellectual KPI's stands at 3% of Zensar's total workforce

'Zenlabs' is an exclusive innovation hub to boost Deep-Thinking capabilities improving Zensar's long-term qualitative growth

Focus on Intellectual Capital to augur well for qualitative growth

Through in-house training and development, Zensar empowers its workforce to not just understand but innovate with help of latest technological advancements. Zensar's velocity stack encompasses reusable components, reference architectures and solutions. This enables seamless flow of real-world feedback through company's communities and guilds helping it to refine and strengthen its Intellectual Property (IP). Zensar has built a platform where it can track ideas from their ideation stage to minimum viable product (MVP) stage to translate ideas into action. The platform comprise four stages viz; 1. Idea Submission, 2. Idea discovery, 3. Proof of Concept (POC) and 4. MVP development.

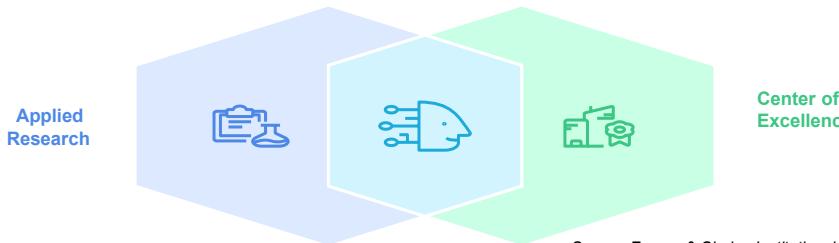
Intellectual Capital KPIs	Number
Employees working of Innovation/R&D	57
Certified Cloud Architechts & Engineers	284
Total Patents Granted in FY24	49

Source: Zensar & Choice Institutional Equities

'ZenLabs' is Zensar's exclusive innovation hub that leverages co-innovation and functions as a Technology advisory. Experts from Zensar's innovation hub ZenLabs, are collaborating with many of its clients to develop solutions for difficult business problems leveraging the latest technologies.

Thus, with the help of ZenLabs, Zensar would certainly be able to build deep-thinking capabilities and increase more depth within its horizontal capabilities as well as overall operations, which would drive its long-term double-digit growth aspiration.

Future
Technology Leadership



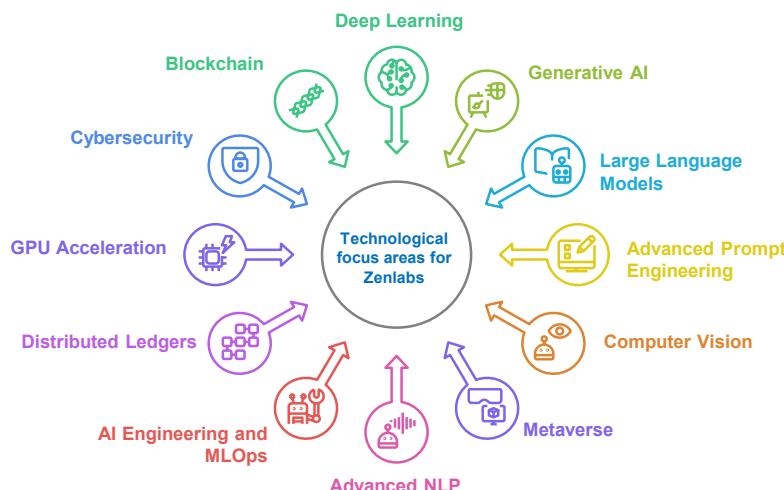
Source: Zensar & Choice Institutional Equities

Innovation continuum

Zenlabs participates in and contributes to key technology forums worldwide, including the Machine Learning Developer Summit, international conference on Smart and Nano Materials, and various prestigious IEEE conferences.

Zensar's co-innovation solutions are a testament to its innovative capabilities. Projects range from an embedded ecosystem for the automotive aftermarket powered by machine vision to advanced AI-driven systems for customer churn prediction and credit risk evaluation.

Zenlabs explores a wide array of technologies across its innovation continuum. From Semantic AI and NLP, blockchain, and Web3 solutions to cutting-edge fields like computer vision, XR, and Gen AI, it covers a vast landscape. Its expertise extends to various sectors, including Banking, Retail, Hi-Tech, Manufacturing, Utilities and Insurance, showcasing Zensar's versatile application of technology.



150+
Patents

200+
Whitepapers

IEEE and Springer Papers

Source: Zensar & Choice Institutional Equities

2.1 GLOBAL - INDUSTRY TRENDS DRIVING IT SPENDS LED BY AI

IT Industry globally marching towards AI led technology revolution

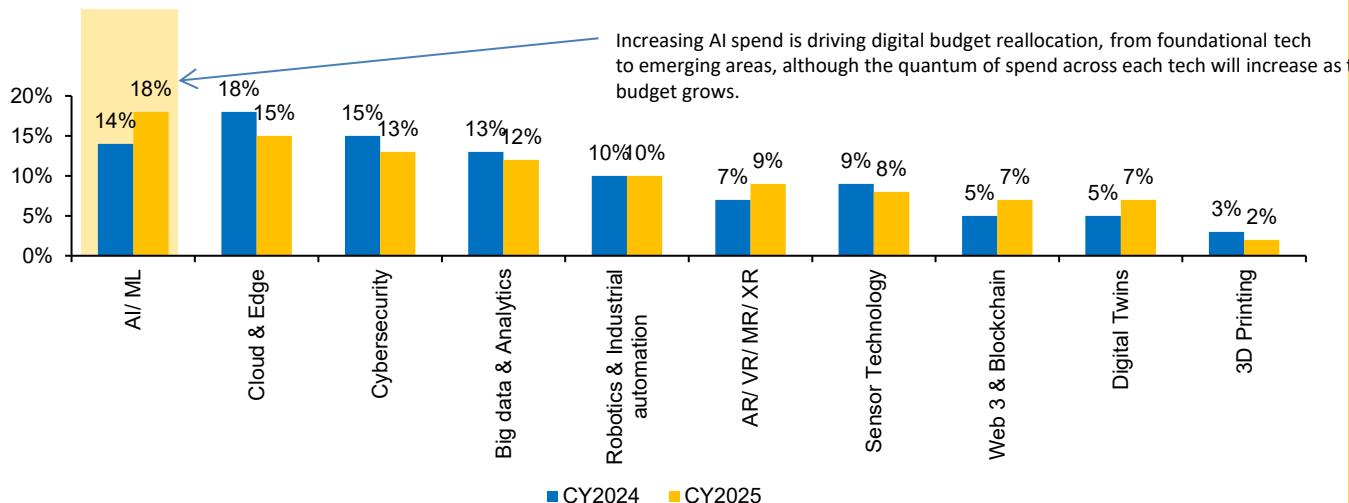
As per Gartner estimates Global IT spending is expected to reach approx. US\$5.6Tn up 9.8% YoY in CY2025. Major spend drivers would be Gen AI led data-center upgrades, AI-ready devices, software and services. However Gartner cautions that real growth (adjusted for inflation) may be much lower.

Spend in USD Bn	Data Center Systems	Enterprise Software	Devices	IT Services	Communication services	Total IT Spend globally	IT Spend (excl. devices & comm.)
CY2020	179	529	697	1071	1396	3872	1779
CY2021	190	732	808	1208	1459	4397	2130
CY2022	227	811	730	1306	1440	4514	2344
CY2023	236	974	693	1504	1492	4898	2714
CY2024	329	1092	734	1588	1372	5115	3009
CY2025E	406	1247	810	1731	1424	5618	3384
CY20-25E (CAGR %)	17.8	18.7	3.1	10.1	0.4	7.7	13.7

Source: Gartner & Choice Institutional Equities

- Enterprises expect AI spend to increase compared to other digital technologies in CY2025

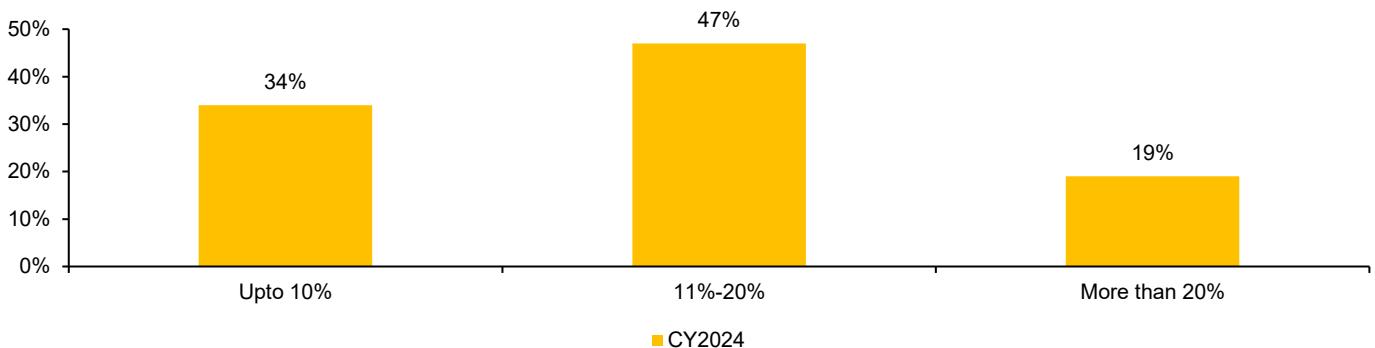
Higher AI/ ML spend allocation expected in digital portfolio in CY2025



Source: Avasant, NASSCOM and Choice Institutional Equities

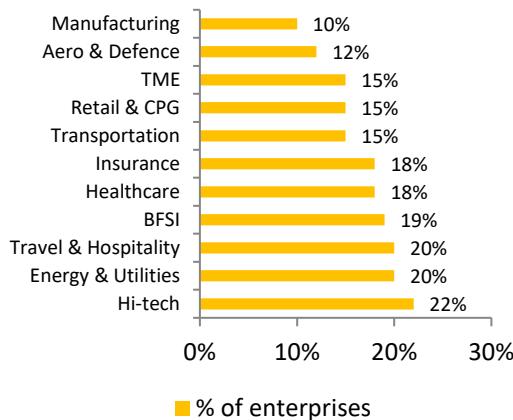
- 2-in-3 Enterprises spent over 10% of digital budget on AI & Gen AI in CY2024

AI Spend within digital budget rises in CY2024



Source: Avasant, NASSCOM and Choice Institutional Equities

- Over 70% of insurance, travel, and life sciences companies spent over 10% on AI in CY24.
- Strong uptake in Middle East and Africa (**Zensar has strong competitive positioning in African market amongst Top 3 Indian IT vendors**) as 68%+ companies spent over 10% of digital budget on AI in CY24.

Sectoral trends in synchronous AI experimentation in CY2024, PoC and/or production stages

IT Industry globally marching towards AI led technology revolution

Oracle launched AI Agent Studio for Fusion Applications, allowing businesses to create, deploy, and manage customized AI agents to address complex needs and boost productivity.



Amazon is using multiagent systems (MAS) to analyze customer preferences, browsing history, and shopping habits, generating personalized recommendations to improve user experience and boost sales.



Alibaba implemented a MAS to collaborate with suppliers, logistics providers, and warehousing partners. This automated processes such as order fulfillment and inventory management.

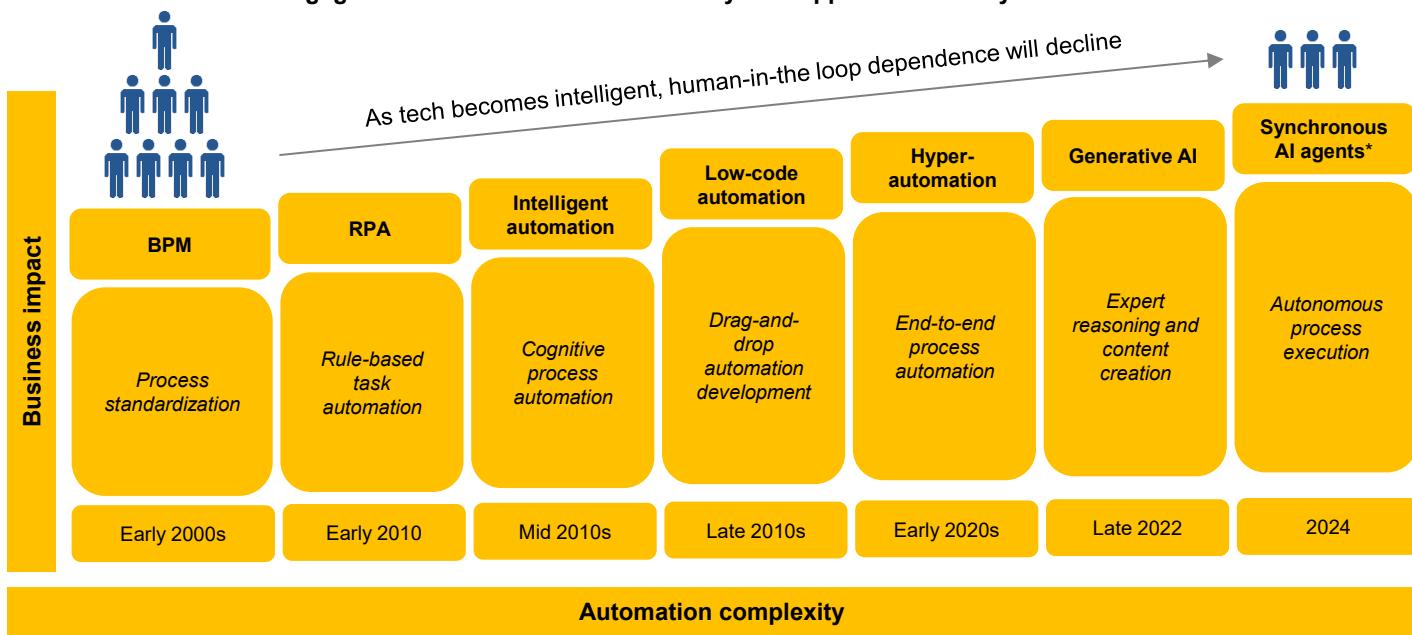
Source: Avasant, NASSCOM and Choice Institutional Equities

Zensar's Agentic RAG architecture allows creation of task-specific AI agents with leaner teams & cloud-native, LLM-agnostic architecture resulting in better time-to-value for clients than large peers

Sectors across the board are investing in Agentic AI PoCs

- ✓ Energy & Utilities, and Travel & Hospitality sectors – Synchronous AI agents are actively deployed in grid optimization, predictive maintenance, and personalized travel experiences, demonstrating high confidence in AI-driven operations.
- ✓ Nearly 27% companies already reported having AI agents in production or at scale, with another 31% at the PoC (Proof of Concepts) stage and 30% planning for PoCs or beyond in CY2025.
- ✓ Healthcare and BFSI sector companies are faster at the AI agent game with 33% in PoC stage, and another 19% of BFSI firms already scaling up.
- ✓ **Oracle launched AI Agent Studio** for Fusion Applications, allowing businesses to create, deploy, and manage customized AI agents to address complex needs and boost productivity.
- ✓ **AWS and TCS have partnered for full-stack digital transformation**, offering Gen AI, data solutions, cloud-native capabilities, and proof-of-concept (POC) projects to drive modernization at scale.

- **Evolving AI playbook to drive intelligent automation of IT Industry globally**
A synchronous AI agent architecture is defined as an advanced framework that streamlines complex workflows by breaking them down into smaller, manageable subtasks. Each subtask is handled by specialized AI agents proficient in their respective domains. Synchronous AI could be seen as synergistic AI that attains Human + AI harmony – where the rules of engagement are so seamless that the system appears to be fully autonomous and frictionless.



Source: Avasant, NASSCOM and Choice Institutional Equities

2.2 DOMESTIC - INDUSTRY TRENDS DRIVING IT SPENDS LED BY AI

Indian IT Industry echoes the global IT Industry sentiments driving AI led growth story

Indian IT Sector Statistics (US \$Bn)	FY20	FY21	FY22	FY23	FY24	FY25
Total Software & Services Revenues (A+B)	190	196	227	245	254	264
Growth (YoY)	17%	3%	16%	8%	3%	4%
Total Exports (A)	147	151	178	194	214.4	224.5
As % of total sector Revenues	77%	77%	78%	79%	80%	79%
Growth (YoY)	8%	3%	18%	9%	11%	5%
Total Domestic (B)	43	45	49	51.4	54.4	58.2
As % of total sector Revenues	23%	23%	22%	21%	20%	21%
Growth (YoY)	64%	5%	9%	5%	6%	7%
Total Indian IT-BPM Sector Revenues (A+B)	190	196	227	245	269	283
Growth (YoY)	7.4%	3.2%	15.8%	8.1%	9.5%	5.2%

Source: NASSCOM & Choice Institutional Equities

As per Nasscom, in FY25, Indian IT Services Exports grew by 5% led by global macro-economic challenges, while Indian IT Services Domestic's growth stayed resilient with 7% growth

As per Nasscom estimates Indian IT Industry recorded annual growth of 5% in FY25 largely driven by ER&D, GCCs led high value PES services and BPM. The industry growth has been slowing down (post strong rally witnessed during Covid lasting until FY22) as it is predominantly depended on exports, which have been impacted by slowdown in US and Europe markets with clients cutting down on discretionary spends. However, the Indian IT domestic growth continued to stay resilient with 7% YoY growth in FY25, despite macro-economic challenges.

Employment in IT Sector

Manpower (Numbers in '000)	FY20	FY21	FY22	FY23	FY24	FY25
TOTAL	4,300	4,500	4,945	5,370	5,670	5,800
Net additions (in nos.)	162	200	445	425	300	130
% Inc/Dec (YoY)	3.9	4.7	9.9	8.6	5.6	2.3

Source: NASSCOM & Choice Institutional Equities

As per Nasscom, over 90% of the top 20 services companies are integrating AI, Cloud, Data, and GenAI across business functions, with 10-15% of enterprise GenAI POCs transitioning to full-scale production

As India steadily advances in AI maturity, enterprises are expanding their AI initiatives at scale. While overall AI adoption remains measured, over 55% of AI activity by Indian tech services firms is focused on building long-term co-creation partnerships to develop scalable, future-ready AI solutions.

As per Nasscom, Enhanced AI implementation, rise of Agentic AI, and the growing maturity of GCCs as value hubs are reshaping industry dynamics as the Indian tech industry marches towards the \$300Bn revenue milestone in FY2026.

Thus, we believe in sync with the global industry data points even in India the digital led growth story of IT Industry holds ground. It is reflected in slower headcount additions delivering better non-linear growth led by automation thereby adding great value to clients business outcomes.

3. RELATIVE ANALYSIS (ZENSAR V/S PEERS)

Companies	CMP	TP	Revenue CAGR (%) (FY25-28E)	EPS CAGR (%) (FY25-28E)	EBITDAM (%)				NPM (%)			
					FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Zensar Tech	843	1,130	10.2	16.0	15.5	15.1	15.6	16.0	12.3	12.7	13.6	13.9
Mphasis	2,845	2,894	8.7	11.6	18.3	18.7	18.7	17.1	12.0	12.1	12.5	12.7
Coforge	1,925	1,935	19.1	34.4	14.0	16.8	17.2	17.4	6.7	9.1	9.8	10.1
Sonata	410	455	11.6	17.8	6.8	7.2	7.7	7.1	4.1	4.8	5.3	4.9
Birlasoft	433	385	5.8	13.4	12.8	13.0	14.0	14.8	9.6	9.9	10.7	11.7

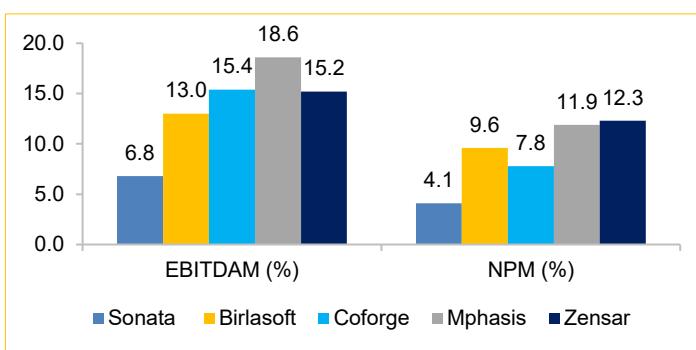
Source: Choice Institutional Equities;

Note:: Bloomberg consensus estimates considered for Mphasis, Coforge, Sonata & Birlasoft

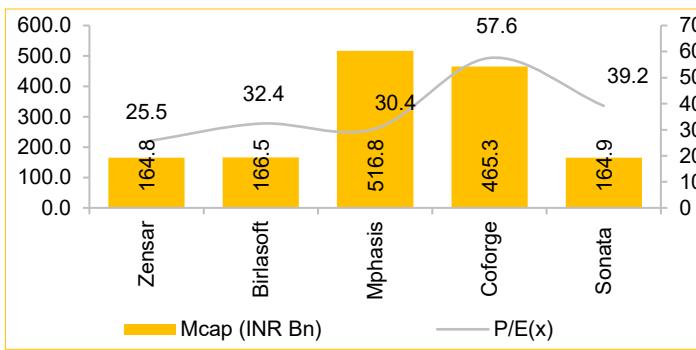
Companies	EPS (INR)				PE (x)				ROE (%)			
	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Zensar Tech	28.4	31.3	37.7	43.7	25.5	26.9	22.3	19.2	16.0	15.8	17.0	17.5
Mphasis	89.3	99.3	112.6	124.1	30.0	28.2	24.9	22.6	18.5	18.9	19.8	20.0
Coforge	24.4	40.6	50.8	59.3	57.0	46.3	37.0	31.7	16.2	20.1	21.9	21.7
Sonata	15.3	18.9	23.2	25.0	27.0	21.7	17.7	16.4	27.3	30.7	30.8	28.0
Birlasoft	18.5	19.9	23.6	27.0	24.0	22.2	18.7	16.4	15.8	15.0	16.2	17.1

Source: Choice Institutional Equities;

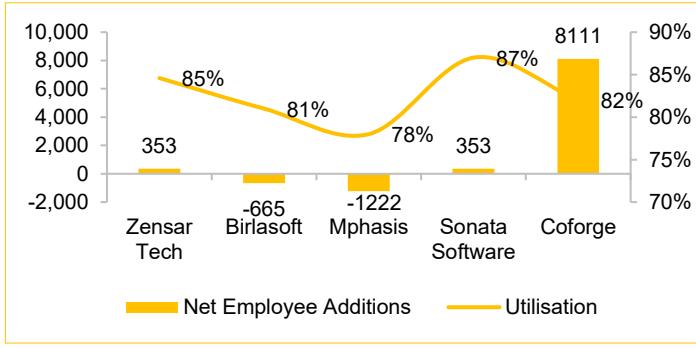
Note:: Bloomberg consensus estimates considered for Mphasis, Coforge, Sonata & Birlasoft



Amongst mid-cap IT Services companies, Zensar has been able to maintain its EBIT margins around mid-teens, and has been able to pull off higher net margins compared to peers due to strong cash & equivalents and zero debt on books.



Amongst mid-cap IT services companies, Zensar is trading at a PE of ~26x on FY25 based EPS, which is at an attractive discount ranging from 16-55% to its mid-cap peers given its focused vectors for growth with differentiated offerings.



Amongst mid-cap IT services companies, Zensar has been able to maintain headcount in narrow band, with utilizations moving ahead of peers consistently at higher end of the curve.

New tariff risks further deepens global macro-economic worries delaying IT discretionary spending, which would also slowdown Zensar's growth in FY26 with least Tariff impact

Focused to deliver Industry leading Top quartile growth that can be led by In-organic initiatives too

Despite being a mid-cap IT player, Zensar has been performing consistently across multiple financial parameters yet trading at attractive valuations compared to peers, given strong cash position with NIL debt

We recommend 'BUY' on Zensar with Price Target of INR 1,130, an upside of 34% based on PE valuation method

4.1 KEY CONCERNS

With Donald Trump taking position in White House and imposing Tariffs there are lots of changes taking place posing macro-economic challenges for economies globally. Hence, there could be reduction in IT spends in short term.

From Zensar specific verticals the first order Tariff effect is likely to impact more on Manufacturing rather than Consumer services vertical. Zensar's exposure to Manufacturing and Automotive is fairly limited, while for Retail, it is slightly more out of the total 27% revenue contribution by MCS vertical (Manufacturing & Consumer Services) as on FY25. So, though there is no major impact expected from Tariffs but some impact shall be seen in terms of slow revenue conversion. Hence, we stay conservative on Zensar's growth in FY26.

4.2 KEY INSIGHTS FROM MANAGEMENT MEETING

- ✓ Building more depth within its Horizontal capabilities.
- ✓ Arresting de-growth in Top client account and focusing on other accounts for achieving aspirational double digit organic growth for FY26 (ex-TMT vertical).
- ✓ Cross selling & Better incentive structure leading to closure of large deal wins
- ✓ Challenges in discretionary spend to bottom out towards ends of FY26

Thus we believe, Zensar would stay focused on strong execution to deliver Industry leading Top quartile growth and profitability in coming years. EBITDA margin would stay in mid-teens (including ESOP cost).

4.3 VIEW & VALUATION

- ✓ We believe, the global macro-economic challenges led by Trump Tariffs are expected to prevail in near term, which would prevail the performance of Zensar in H1FY26. However, the same shall see some recovery, by H2FY26.
- ✓ Within the mid-cap IT services pack we expect, Zensar to gradually move up towards becoming a long-term wealth creator with its strategic journey that has just began under the helm of new Leadership of Mr. Anant Goenka (Vice-Chairman RPG group) & Mr. Manish Tandon (CEO & MD Zensar).
- ✓ The company wants to be a vendor of choice with differentiated offerings. Despite being a mid-cap IT company, Zensar has been able to maintain mid-teen EBITDA margins since past few years performing better than even some of the Tier-1 IT players who have seen margin compression. Zensar has delivered Revenue CAGR of 4.4% and PAT CAGR of 40.8% from FY23-25. And given its strategic long-term growth plan, we expect Zensar to deliver Revenue CAGR of 9.8% and PAT CAGR of 15.4% from FY25-FY27E on organic basis.

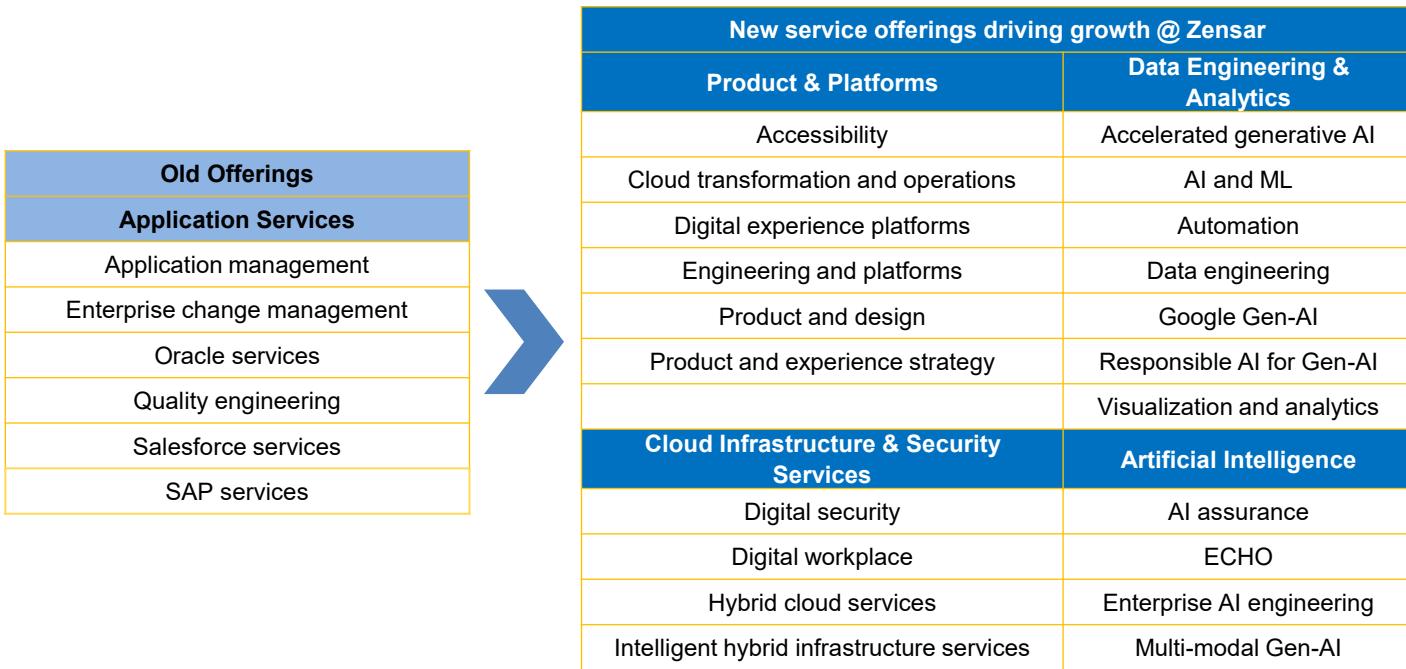
Thus, we initiate coverage on Zensar with a BUY recommendation and Target Price of INR 1,130 which is an upside of 34%, by valuing the company at a PE of ~30x based on FY27E EPS of INR 37.7. Our target PE valuation stays conservative compared to higher valuations at which other mid-cap Indian IT companies are trading currently. Also, based on DCF valuation considering terminal growth rate of 3% we arrive at INR 1,150 as implied fair value per share. We consider DCF methodology from sanity check & analytical rigor perspective.

Moreover, the company has robust Cash & Investments of INR 25,180Mn as on FY25, which results in INR 111 Cash & Investments per share, which can be used for strategic acquisitions or to win large deals. However, we haven't built this inorganic growth scenario in our estimates for FY26E-FY28E.

5.1 Introduction

Zensar is a leading technology solutions company which provides innovative digital solutions to help clients achieve their business goals. Zensar's core philosophy is 'Experience-led Everything' and is committed to conceptualizing, designing, engineering, marketing and managing digital solutions and experiences for over 145 leading enterprises. Headquartered in Pune, India, Zensar is a RPG Group company forging lasting relationships with large customers like Cisco, National Grid, Fujitsu, Marks & Spencer, Danaher Corporation, Electronic Arts and Logitech among others. The company's headcount stands at 10,700+, across 30+ locations worldwide, including Milpitas, Seattle, Princeton, Cape Town, London, Zurich, Singapore and Mexico City.

Deep dive into Zensar's services offerings



NEW SERVICE OFFERINGS

Products & Platforms –

Accessibility: Accessibility is integral to design & development. Zensar's consultants use tools like BrowserStack, WebAIM WAVE, NVDA, & VoiceOver to manually audit digital products, ensuring components & pages meet accessibility standards through thorough, skilful testing across platforms & assistive technologies.

Cloud transformation & operations: Migrate, operate, & scale business-critical applications in the cloud to unlock sustained value.

Digital Experience Platforms: The team provides digital experience platform services including ecosystem assessments, platform evolution & purchase insights, collaboration with content teams on author architecture, & partnerships with data teams to define output mappings—ensuring technology aligns with strategic digital experience goals.

Engineering & Platforms: Crafting smarter digital products by adopting a focused, insight-driven approach to product engineering, ensuring every decision is rooted in real user needs & business goals.

Product & Design: Zensar crafts impactful product strategies that align vision with execution, accelerate MVP development, unblock complex programs, & drive digital transformation by designing & scaling products from beta to full market launch.

Product & Experience Strategy: Focuses on crafting long-term strategies aligned with client needs, brand touchpoints, and business objectives. It bridges client expectations with internal capabilities, guiding UX, operations, tech, and culture for impactful service delivery.

Cloud Infrastructure & Security Services (CISS) –

Digital Security: Protect data, networks, & devices from malicious programs & build better digital resilience.

Digital Workspace: In-office, remote & hybrid teams need connected applications, intelligent platforms & a frictionless user experience.

Hybrid Cloud Services: Build a technology foundation to move data, hyper-connect user devices & run workloads with unparalleled availability & scale.

Intelligent hybrid infrastructure services: Drive operational efficiency with human smarts backed by machine intelligence.

Data Engineering & Analytics –

Accelerated GenAI: Ensure privacy compliance while delivering accurate, personalized GenAI solutions using your data & open-source models. Accelerate adoption, reduce costs, & innovate continuously with expert-guided AI services tailored to your needs.

AI & ML: AI-powered smart advisor enables financial advisors to quickly analyze market data & sentiment at various levels. It identifies trends, recommends strategic actions, & integrates ESG risk scores for informed, sustainable portfolio management.

Automation: Discover ways to strengthen corporate resilience while improving enterprise productivity, efficiency, & user experience for sustained business growth & competitive advantage.

Data Engineering: Unlock value from all data assets by building a data-rich foundation & extracting meaningful insights to uncover potential opportunities & maximize returns.

Google GenAI: Leverage Google GenAI to transform your technology approach with unmatched flexibility, agility, & ethics. Benefit from cost savings, scalability, & enhanced model performance for innovative, growth-driven applications.

Responsible AI for GenAI: Addresses AI adoption challenges by emphasizing fairness, transparency, & ethics. With Zensar's expertise, it ensures data privacy, security, & environmental responsibility through tools, education, & services.

Visualization & Analytics: Monitor business operations with integrated, user-friendly reports & augment decision-making with advanced analytics.

Artificial Intelligence –

AI Assurance: Enables enterprises to responsibly manage AI complexities through specialized tools, consulting, & services. It supports fairness, transparency, & ethical practices while safeguarding data privacy, security, & environmental sustainability.

ECHO: The 'ECHO' approach reimagines automation by prioritizing human centered experience & thoughtful process design. Unlike traditional methods, it integrates AI strategically to avoid inefficiencies, reduce costs, & enhance employee engagement & value.

Enterprise AI Engineering: Many organizations face transformation hurdles due to technical debt, legacy systems, & talent gaps. This solution uses generative AI across engineering & data workflows, driving faster value, higher productivity, & improved developer experience.

Multi-modal GenAI: With the rise of multi-modal data, traditional methods often fail to support effective decision-making. This generative AI solution enables real-time, accurate insights by harnessing multi-modal data across sectors like healthcare, manufacturing, & retail.

OLD OFFERINGS

Application Services –

Application Management: Ensures operational efficiency through robust application support, maintenance & chaos engineering. Auxiliary services handle essential interventions like AIOps, ITSM & BizOps, while expert consulting drives strategic improvements in agility, cost optimization & application portfolio management.

Enterprise Change Management: Enables smooth technology adoption by addressing the human side of transformation. Through stakeholder alignment, tailored training, & continuous feedback, it drives sustainable change & maximizes business value.

Oracle Services: Zensar's Oracle services enhance productivity and agility through efficient upgrades, scalable ERP consulting & transformative Oracle Cloud ERP experiences. With RPA integration, chatbot accelerators, maintenance-led modernization & seamless OCI migration, organizations achieve innovation, connectivity, & long-term digital resilience.

Quality Engineering Services: Supports digital transformation with performance and security consulting, intelligent AI-led testing, and digital assurance. From enterprise applications to data analytics, the focus is on efficient, connected testing that enhances UX, compliance, and operational excellence.

Salesforce Services: Zensar's Salesforce Services empower businesses with strategic consulting, global implementation, and robust data integration. Backed by strong org strategy, delivery assurance, and managed services, these offerings drive agility, innovation, and sustained value across the Salesforce ecosystem.

SAP Services: Zensar's SAP services drive digital transformation through strategic consulting, architecture design, and project management. From S/4HANA conversions to RISE with SAP and cloud migrations, our end-to-end implementations and managed services ensure agility, value realization, and seamless modernization.

Customers success stories

Following are the success stories that stand out exemplifying three pillars of Experience-Engagement-Engineering;

1. Zensar's partnership with a major oil and gas provider to deliver a superior user experience for a fleet of management portal paired with mobility technology. This solution serves 160,000 client's customers across 35 different markets.
2. Smart city project for City of San Diego to modernize its core systems and accelerate its standing as a leading smart city of the future. The aim was to transform City's IT platform for enhancing security and reducing costs for taxpayers with digitized services.
3. Some examples of value delivered to clients are; Zensar modernized enterprise applications of a large U.S. retailer from outdated technology to cloud by leveraging its unique GenAI solutions. This resulted in reducing TCO by 40% and reducing time to market by 50%.
4. Similarly, it empowered a global human rights organization to build a smart decision engine powered by GenAI integrating organizational assets across 170 countries, thereby improving efficiencies of knowledge workers by 50%.
5. Recently in FY25 the company has completed Value Chain Mapping for a Fortune 500 big Wealth Management Company who has chosen to work with Zensar specially for its AI related offerings.
6. Zensar automated a manual Productivity Measurement Framework for an energy client, replacing Excel-based reporting with Power BI, SQL Server, and Azure DevOps. The new system offers real-time updates, enhanced scalability, and improved data security. It reduced manual effort by 80%, increased visibility, and empowered the client to track Scrum team productivity across the enterprise efficiently.
7. Zensar developed Agentic AI solutions for a U.S.-based mutual insurance company to enhance life insurance support. AI agents streamlined three key events—coverage upgrades, payment reminders, and policy cancellations—reducing costs and boosting sales. Solutions included automated changes, reminders with verification, and empathetic handoffs for complex customer issues.
8. Zensar replatformed a global bank's digital marketing using Adobe Experience Cloud and its DXP accelerator. The solution enhanced flexibility for marketers, unified the brand, improved digital experience by 100%, and cut go-to-market time by 30%. The UK media recognized the launch as a significant milestone in digital transformation.

5.2 About the Management

Name	Designation	Qualification	Experience
 Harsh V. Goenka	Chairman & Non-ED	Graduate in Economics and MBA from the International Institute of Management Development (IMD), Switzerland	Prominent industrialist with 30+ years leading RPG Group, Mr. Goenka chairs the Company, serves on FICCI's Executive Committee, and IMD Lausanne's Foundation Board.
 Anant Goenka	Vice-Chairman & Non-ED	MBA from the Kellogg School of Management and a B.Sc. in Economics from the Wharton School, University of Pennsylvania.	Kellogg MBA and Wharton graduate, is Vice Chairman of CEAT and Zensar. He led CEAT's 25x growth as MD, and holds key roles at FICCI and ATMA.
 Manish Tandon	CEO & MD	Engineering degree from IIT Kanpur and is a gold medalist from IIM Bangalore	CEO of Zensar, previously led successful turnaround of CSS Corp's. With a 20-year tenure at Infosys, he managed a USD 2Bn+ global business across sectors like healthcare and finance. His deep focus on client-centricity, developed through leading roles including Retail & Logistics, drives all strategic initiatives at Zensar today.
 Pulkit Bhandari	CFO	CA	20+ years of experience across startups, corporates, and investment banking, with deep expertise in finance, M&A, capital raising, ESG, and strategy. He was CFO at Zetwerk and led corporate finance at RPG Group. Earlier, he executed 100+ deals worth USD 15Bn at Deutsche Bank and ICICI.
 Vijayashimha Alilughatta	COO	Bachelor's degree in Computer Science and Engineering from Bangalore University.	Zensar's COO, brings 27+ years in IT. Formerly Wipro COO, he led 100,000+ employees and double-digit growth. At Infosys, he scaled key Fortune 500 accounts.
 Vivek Ranjan	CHRO	XLRI grad, Chartered CIPD (UK), executive programs at Wharton, Questrom, ISB.	Zensar's Chief HR Officer has 26+ years of global HR leadership, driving growth and high-performance cultures. Previously, he led HR for 22,000 employees at Ericsson India Global Services in the ICT sector.
 Parag Jain	EVP & Head Manufacturing/Consumer Services	Engineering graduate from IIT Roorkee; completed Advanced Management at Michigan Ross and Financial Leadership at Stanford GSB.	25+ years in IT services, leading business scaling and transformations. He heads Manufacturing & Consumer Services, driving global growth and alliances. Previously, he held leadership roles at Infosys and TCS, advising Fortune 500 clients across industries.
 Nachiketa Mitra	EVP & Head BFSI	Engineering degree from IIT Kharagpur and MBA from University of Rochester	Bringing 25+ years of experience in financial services, consulting, and technology, Nachi has built high-performing teams and scaled global client relationships. At Cognizant, he led NY Metro Banking and built a leading payments practice, while also driving major growth in North America's manufacturing and logistics sectors.
 Harish Lala	EVP & Head TMT	Master's Degree in Business Administration and Bachelor's Degree in Engineering	Played a pivotal role in establishing Zensar's Africa operations, partnering with top firms in banking, insurance, retail, and mining. He has expanded Zensar's presence across Southern, East Africa, and the Middle East.

 Chaitanya Rajebahadur	EVP & Head Digital & Studios	MBA, Newport University	EVP and Head of Europe at Zensar, leads growth across key sectors including finance, retail, and telecom. With 22+ years in IT and outsourcing, he has managed global operations and held leadership roles at iGATE, Xansa, and Hexaware.
 Anup Rege	SVP & CBO – Digital Studios/ Brand & Comms	B.E. Civil (Systems Approach)	With 21+ years in IT and consulting, is a technologist and strategist specializing in digital consulting, value realization, and large deal structuring. Based in the UK, he drives P&L, analyst, and advisory engagements. At iGATE, he led strategic relationships across telecom, media, utilities, and retail in global markets.
 Pratik Maroo	SVP & Head Healthcare & Lifesciences	Bachelors in Electronics and Telecommunication and an MBA from IIM Bangalore.	25+ years of industry experience, including 16 in healthcare. A digital transformation leader, he excels in P&L management and global growth. Before Zensar, he led product strategy at Indegene and a \$250M P&L at Cognizant, where he was also Chief Digital Officer. He's held leadership roles at Sapient and CSC.
 Kaushik Chatterjee	SVP & Head Africa	BTech in Electronics and Electrical Engineering and an MBA from IIM Calcutta.	Senior Vice President and Head of Africa at Zensar since April 2025, brings 26+ years in IT services. With deep expertise in BFSI, healthcare, and life sciences, he has led P&L, delivery, and consulting roles at Cognizant and Citibank. He excels in incubating and scaling business competencies globally.
 Anshul Srivastav	SVP & Head UK & Europe	BTech in Electronics and Communication and an MBA from IIM Ahmedabad.	Senior Vice President and Head of UK and Europe at Zensar, brings extensive experience in business development, client engagement, and technology-led transformation. Formerly Regional Head of Sales, he drove growth across BFSI, tech, media, and public sectors. Prior to Zensar, he held leadership roles over 12 years at Infosys.

5.3 Key Milestones
1922
1963
1989
1991
2000

British computer maker ICL sets up its regional manufacturing unit in Pune, India, which was renamed ICIM (International Computers Indian Manufacture)

ICIM listed on the Bombay Stock Exchange

RPG group acquires software unit of CIM

Software unit of ICIM was named ICIL with the British maker closing down its hardware unit in India

ICIL which was purely software focused services company was renamed as Zensar

2001
2010
2011
2012
2013

Ganesh Natarajan became CEO in 2001, beginning 15 years tenure

Zensar acquires Platinum Partnership of Oracle

Zensar announces an agreement with Google to provide Google app solutions to the large retail and manufacturing customers

Zensar reaches Headcount strength of approx.. 11,000 employees servicing 400 clients in over 20 global locations. It ranked among Top 13 software companies in India by NASSCOM (2012)

Assurant Health and Zensar Announce Multi-year Information Technology Support Agreement. It received Microsoft Gold Partnership for Application Development & Application Integration Competencies

2014
2015
2016
2018
2020

Zensar signs significant deals of approx.. INR 1,000Mn mainly in US & UK, which includes approx. INR401Mn deal from UK

The Company won new orders of about INR 1,900Mn in its Application Management Services business

Sandeep Kishore named Zensar's CEO in 2016. Zensar enabled South Africa's largest online retail store, NetFlorist to enhance customer shopping experience & signed another multi-Mn dollar development deal with AVIS Fleet in South Africa. It also acquired London based Foolproof Inc.

Zensar acquires Cynosure Interface Solutions Pvt Ltd an Indian IT company for \$33mn subject to certain conditions, payable upfront

In Dec'20, Ajay S. Bhutoria was named Zensar's CEO. Zensar enters into an agreement with Service Express LLC to divest its global Third-Party Maintenance (TPM). Plus, it launches its blockchain based contract management solutions for enterprises

2022
2023
2024

Anant Goenka joins as Interim MD of Zensar as Ajay S. Bhutoria resigns from position of CEO & MD in Dec'22, due to health reasons

Manish Tandon joins as CEO & MD of Zensar from 1st Jan2023 with Anant Goenka as Vice Chairman

Setting up Zenlabs for innovation. Growing focus on AI Playbook, Agentic AI as theme

6.1 Sequential Operating Performance

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Income Statement								
Revenues (USD Mn)	149	150	145	148	154	156	157	157
Revenues (INR Mn)	12,272	12,408	12,041	12,297	12,881	13,080	13,256	13,589
Gross Profit (INR Mn)	3,130	3,073	2,806	2,833	3,054	2,841	3,028	2,967
Gross Margin (%)	25.5	24.8	23.3	23.0	23.7	21.7	22.8	21.8
EBITDA (INR Mn)	2,301	2,309	2,076	2,030	1,962	2,010	2,070	2,125
EBITDA Margin (%)	18.8	18.6	17.2	16.5	15.2	15.4	15.6	15.6
PAT (INR Mn)	1,562	1,739	1,617	1,733	1,579	1,557	1,598	1,764
FDEPS (INR)	6.84	7.61	7.08	7.59	6.91	6.82	6.98	7.68
Operating Metrics								
Revenue - Geography (%)								
North America	69.4	66.1	66.0	67.2	68.7	67.6	67.3	67.4
Europe	19.2	21.6	21.4	20.8	19.8	21.1	21.2	21.4
Africa	11.4	12.3	12.5	12.0	11.5	11.3	11.5	11.2
Total	100.0							
Revenue - Segments (%)								
TMT (Telecom-Media-Technology)	29.7	27.2	25.9	25.5	24.7	22.4	21.4	21.7
MCS (Mfg. & Consumer Services)	24.2	25.9	26.1	26.3	25.8	26.2	27.7	26.7
BFS (Banking & Financial Services)	36.3	37.3	38.6	38.7	39.7	40.9	40.1	41.0
Healthcare & Life Sciences	9.8	9.6	9.4	9.5	9.8	10.5	10.8	10.6
Total	100.0							
Employee Metrics								
Total Headcount	10,540	10,330	10,225	10,349	10,396	10,240	10,517	10,702
Attrition Rate LTM (%)	15.9	13.1	12.0	10.9	10.6	10.1	10.0	9.9
Trainees(%)	82.5	83.1	80.7	83.7	83.9	82.8	82.9	84.6
Revenue Split (%)								
Onsite	52.0	50.9	50.4	50.0	51.4	49.7	49.5	49.0
Offshore	48.0	49.1	49.6	50.0	48.6	50.3	50.5	51.0
Total	100.0							

Source: Zensar & Choice Institutional Equities

6.2 Financials & Ratios

Income statement (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD Mn)	592	624	659	737	833
Revenue	49,019	52,806	56,568	63,711	72,062
Gross profit	11,843	11,890	12,348	14,292	16,509
EBITDA	8,717	8,167	8,568	9,960	11,536
Depreciation	1,338	1,019	992	1,010	1,065
EBIT	7,379	7,148	7,576	8,950	10,471
Other income	1,588	1,602	2,170	2,717	3,029
Interest expense	209	173	163	130	120
PAT	6,650	6,498	7,187	8,653	10,035
EPS	29.1	28.4	31.3	37.7	43.7

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenues (USD Mn)	(2.0)	5.4	5.5	11.9	13.0
Revenues (INR Mn)	1.1	7.7	7.1	12.6	13.1
EBITDA	57.9	(6.3)	4.9	16.2	15.8
EBIT	99.9	(3.1)	6.0	18.1	17.0
Margin Ratios (%)					
EBITDA Margin	17.8	15.5	15.1	15.6	16.0
EBIT Margin	15.1	13.5	13.4	14.0	14.5
Profitability (%)					
ROE	18.7	16.0	15.8	17.0	17.5
ROIC	19.5	16.1	15.1	15.7	16.1
ROCE	20.7	17.6	16.7	17.6	18.3
Valuation					
OCF / Net profit (%)	73.7%	69.2%	85.9%	82.7%	89.2%
EV/ EBITDA (x)	10.7	18.9	21.5	18.7	16.2
BVPS (x)	157.3	179.3	199.9	224.1	252.3
Free Cash flow yield(%)	5.7%	3.2%	3.0%	3.2%	4.2%

Balance sheet (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Tangible fixed assets	863	914	908	1,008	1,108
Goodwill & intangible assets	8,103	9,819	10,319	11,319	12,319
Investments	18,077	20,387	23,387	25,887	29,887
Cash & Cash equivalents	7,241	7,436	7,709	8,108	8,552
Other non-current assets	-	-	-	-	-
Other current assets	12,194	13,173	14,296	16,221	17,631
Total assets	46,478	51,729	56,619	62,544	69,496
Shareholder's funds	35,619	40,697	45,387	50,862	57,264
Minority Interest	-	-	-	-	-
Borrowings	-	-	-	-	-
Other non-current liabilities	2,319	2,210	2,110	2,060	2,010
Other current liabilities	8,540	8,822	9,122	9,622	10,222
Total equity & liabilities	46,478	51,729	56,619	62,544	69,496

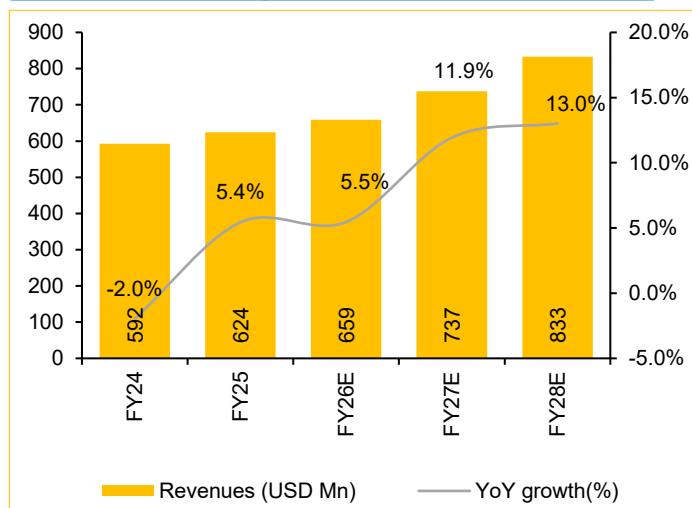
Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows From Operations	6,421	5,650	7,356	8,238	10,291
Cash Flows From Investing	(4,751)	(4,877)	(4,689)	(4,822)	(6,317)
Cash Flows From Financing	(1,971)	(2,645)	(2,497)	(3,178)	(3,632)
DuPont Analysis (INR Mn)					
Tax Burden	76.0%	76.0%	75.0%	75.0%	75.0%
Interest Burden	118.7%	120.0%	126.5%	128.9%	127.8%
EBIT Margin	15.1%	13.5%	13.4%	14.0%	14.5%
Asset Turnover	1.1	1.0	1.0	1.0	1.0
Equity Multiplier	1.3	1.3	1.2	1.2	1.2
ROE	18.7%	16.0%	15.8%	17.0%	17.5%

Source: Zensar & Choice Institutional Equities

Note: Assumed USD/ INR rate FY26E/ FY27E/ FY28E = 85.9/ 86.4/ 86.5

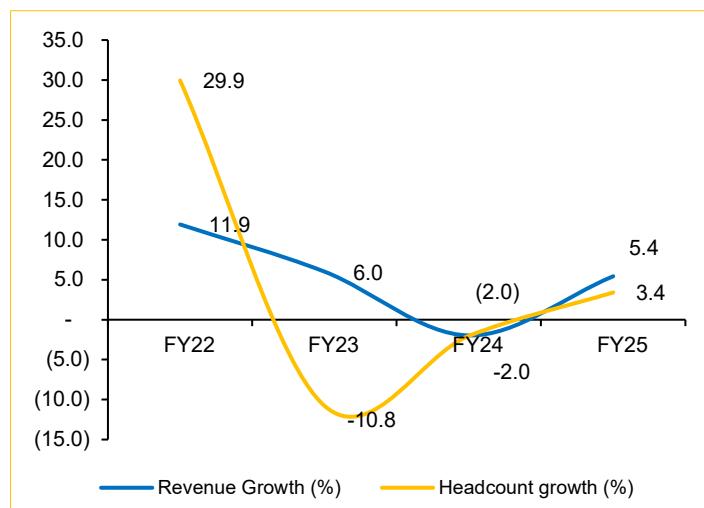
6.3 Graphs & Trends

Revenue expected to grow at 8.6% CAGR over FY25-27E



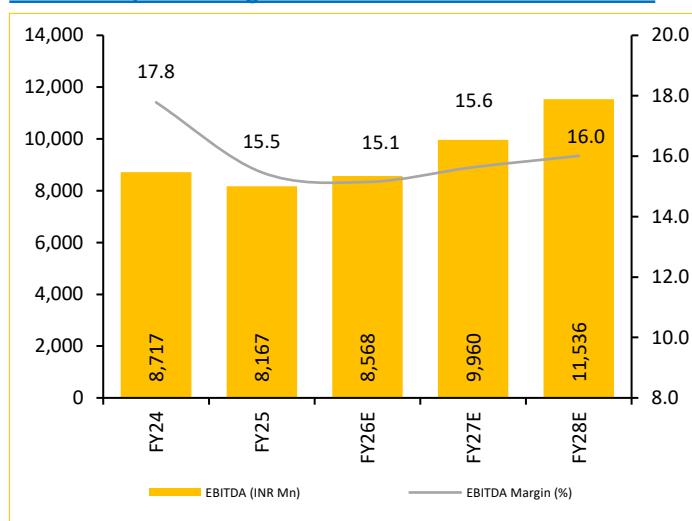
Source: Zensar & Choice Institutional Equities

Revenue growth ahead of headcount growth



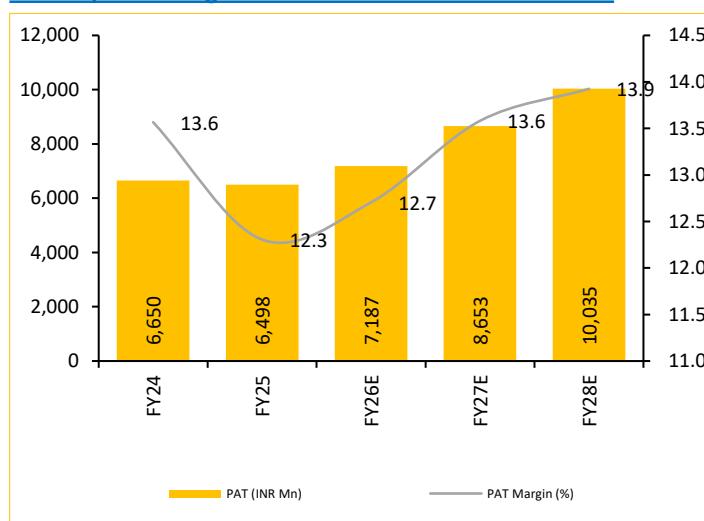
Source: Zensar & Choice Institutional Equities

EBITDA expected to grow at 10.4% CAGR over FY25-27E



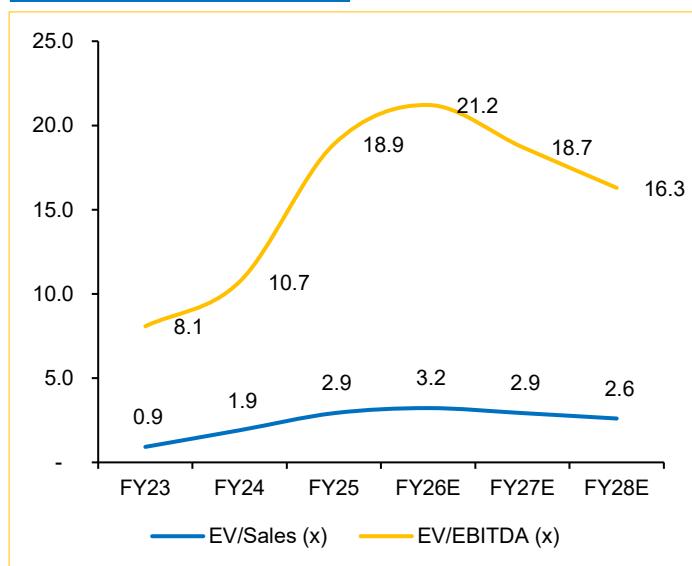
Source: Zensar & Choice Institutional Equities

PAT expected to grow at 15.4% CAGR over FY25-27E



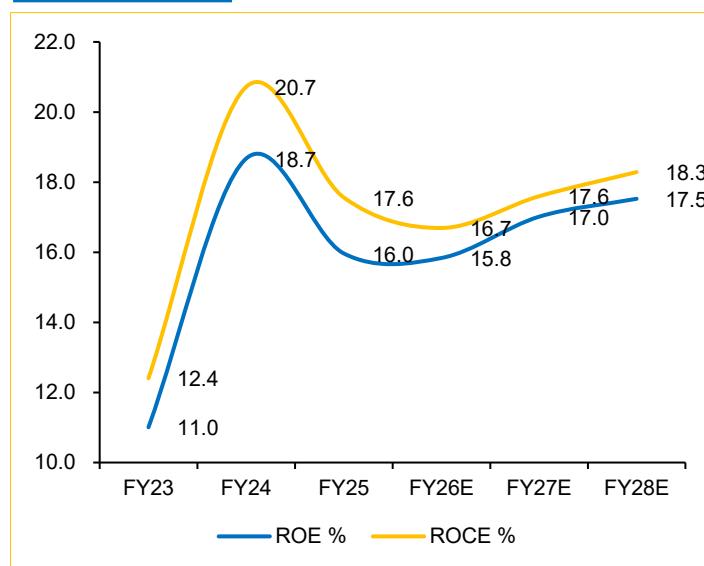
Source: Zensar & Choice Institutional Equities

EV/ Sales & EV/ EBITDA trend



Source: Zensar & Choice Institutional Equities

ROE & ROCE trend



Source: Zensar & Choice Institutional Equities

Institutional Research Team

Utsav Verma, CFA	Head of Institutional Research	utsav.verma@choiceindia.com	+91 22 6707 9440
Prashanth Kumar Kota, CFA	Analyst – Basic Materials	prashanth.kota@choiceindia.com	+91 22 6707 9887
Mehul Mehta	Analyst – Industrials	mehul.mehta@choiceindia.com	+91 22 6707 9930
Dhanshree Jadhav	Analyst – Technology	dhanshree.jadhav@choiceindia.com	+91 22 6707 9535
Karan Kamdar	Analyst – SMID	karan.kamdar@choiceindia.com	+91 22 6707 9930
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Ashutosh Murarka	Analyst – Cement & Infrastructure	ashutosh.murarka@choiceindia.com	+91 22 6707 9887
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Bharat Kumar Kudikyala	Sr. Associate – Building Materials and Mining	bharat.kudikyala@choiceindia.com	+91 22 6707 9887
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9216
Kunal Bajaj	Sr. Associate – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9884
Abhinav Kapadia	Sr. Associate – Capital Goods	abhinav.kapadia@choiceindia.com	+91 22 6707 9707
Vikrant Shah, CFA	Sr. Associate – Banks	vikrant.shah@choiceindia.com	+91 22 6707 9887
Aayush Saboo	Associate – Real Estate	aayush.saboo@choiceindia.com	+91 22 6707 9512
Vinay Rawal	Associate – SMID	vinay.rawal@choiceindia.com	+91 22 6707 9887
Heet Chheda	Associate – Auto	heet.chheda@choiceindia.com	+91 22 6707 9952
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9887
Aryan Goyal	Associate – Auto	aryan.goyal@choiceindia.com	+91 22 6707 9517
Sumit Pandey	Executive	pandey.sumit@choiceindia.com	+91 22 6707 9887

CHOICE RATING DISTRIBUTION & METHODOLOGY

Large Cap*

BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months

Mid & Small Cap*

BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months

Other Ratings

NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change

Sector View

POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in statis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap

*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

Disclaimer

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited-Research Analyst - INH000000222. (CIN. NO.: U65999MH2010PTC198714). Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri(East), Mumbai 400099. Tel. No. 022-6707 9999

Compliance Officer-Prashant Salian, Email Id – Prashant.salain@choiceindia.com Contact no. 022- 67079999- Ext-2310

Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834. Email- ig@choiceindia.com

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

This Research Report (hereinafter referred as "Report") has been prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL RE" Limited. The Research Analysts, strategists are principally responsible for the preparation of "CEBPL RE" research. The research analysts have received compensation based upon various factors, which may include quality of research, investor client feedback, stock picking, competitive factors and firm revenues etc.

Whilst CEBPL has taken all reasonable steps to ensure that this information is correct, CEBPL does not offer any warranty as to the accuracy or completeness of such information. Any person placing reliance on the report to undertake trading does so entirely at his or her own risk and CEBPL does not accept any liability as a result. Securities and Derivatives markets may be subject to rapid and unexpected price movements and past performance is not necessarily an indication of future performance.

General Disclaimer: This 'Report' is strictly meant for use by the recipient and is not for circulation. This Report does not take into account particular investment objectives, financial situations or specific needs of individual clients nor does it constitute a personal recommendation. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through CEBPL nor any solicitation or offering of any investment/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this "Report" should rely on information/data arising out of their own Study/investigations. It is advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This 'Report' has been prepared on the basis of publicly available information, internally developed data and other sources believed by CEBPL to be reliable. CEBPL or its directors, employees, affiliates or representatives shall not be responsible for, or warrant for the accuracy, completeness, adequacy and reliability of such information / opinions / views. Though due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of CEBPL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this report.

The price and value of the investments referred to in this Report and the income from them may tend to go down as well as up, and investors may incur losses on any investments. Past performance shall not be a guide for future performance. CEBPL does not provide tax advice to its clients, and all investors are strongly advised to take advice of their tax advisers regarding taxation aspects of any potential investment. Opinions are based on the current scenario as of the date appearing on this 'Report' only. CEBPL does not undertake to advise you as to any change of our views expressed in this "Report" may differ on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold CEBPL, its employees and associates responsible for any losses, damages of any type whatsoever.

Disclaimers in respect of jurisdiction: 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 "CEBPL RE" to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by "CEBPL RE" in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this 'Report' shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. "CEBPL" requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to "CEBPL". Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in Mumbai (India).

Statements on ownership and material conflicts of interest, compensation - CEBPL and Associates reciprocates to the best of the knowledge and belief of CEBPL/ its Associates/ research Analyst who is preparing this report.

Disclosures of Interest (Additional):

1. "CEBPL", its research Analyst(s), or its associates or relatives of the Research Analyst does not have any financial interest in the company(ies) covered in this report.
2. "CEBPL" its research Analyst, or its associates or relatives of the research analyst affiliates collectively do not hold more than 1 of the securities of the company(ies) covered in this report as of the end of the month immediately preceding the distribution of the research report.
3. "CEBPL", its research analyst, his/her associate, his/her relative, do not have any other material conflict of interest at the time of publication of this research report.
4. "CEBPL", its research analyst, and its associates have not received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in this report, in the past twelve months.
5. "CEBPL", its research analyst, or its associates have not managed or co-managed in the previous twelve months, a private or public offering of securities for the company (ies) covered in this report.
7. "CEBPL", or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party, in connection with the research report.
8. CEBPL research analyst has not served as an Officer, Director, or employee of the company (ies) covered in the Research report.
9. "CEBPL", its research analyst has not been engaged in market making activity for the company(ies) covered in the Research report.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. <https://choiceindia.com/research-listing>

Sr. No.	Particulars	Yes / No
1.	Whether compensation has been received from the company(ies) covered in the Research report in the past 12 months for investment banking transaction by CEBPL	No
2	Whether Research Analyst, CEBPL or its associates or relatives of the Research Analyst affiliates collectively hold more than 1 of the company(ies) covered in the Research report	No
3.	Whether compensation has been received by CEBPL or its associates from the company(ies) covered in the Research report	No
4.	CEBPL or its affiliates have managed or co-managed in the previous twelve months a private or public offering of securities for the company(ies) covered in the Research report	No
5.	CEBPL, its research analyst, his associate, or its associates have received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in the Research report, in the last twelve months	No

Copyright: The copyright in this research report belongs exclusively to CEBPL. All rights are reserved. Any unauthorized use or disclosure is prohibited. No reprinting or reproduction, in whole or in part, is permitted without the CEBPL's prior consent, except that a recipient may reprint it for internal circulation only and only if it is reprinted in its entirety.

This "Report" is for distribution only under such circumstances as may be permitted by applicable law. This "Report" has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This "Report" is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither CEBPL nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this "report" or lack of care in this report's preparation or publication, or any losses or damages which may arise from the use of this research report.

Information barriers may be relied upon by CEBPL, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of CEBPL.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by CEBPL with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior written consent of CEBPL and CEBPL accepts no liability whatsoever for the actions of third parties in this respect.

The details of CEBPL, its research analyst and its associates pertaining to the companies covered in the Research report are given above.

DHANSHREE E PRAVIN JADHAV Digitally signed by
DHANSHREE
PRAVIN JADHAV
Date: 2025.07.02
08:42:52 +05'30'