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SEBI Registration No- INH000018142

Trade View Report-



Published Date	February 26th, 2026
Rating	BUY
Trade Type	Medium Term
Stock Name	ZENSARTECH
Entry Price	558
Target	610
Stop Loss Price	525
Target%	11%
SL%	6%

Rationale-

Zensar Technologies Ltd (NSE: ZENSARTECH) is a mid-tier IT services firm focused on digital transformation, AI-led solutions, and sectors like BFSI, hi-tech, and manufacturing. It shows steady revenue growth and improving profitability amid a challenging IT macro environment, making it a balanced pick for conservative investors.

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Core Data Points

Market Position: Mid-cap IT services player (market cap ₹12,722 Cr); HQ Pune, founded 1991; part of RPG Group; 11,500+ employees across 30+ global offices; P/E 23.6x TTM, EV/EBITDA 12.5x; dividend yield 1.2% (₹10/share FY25). Trades at 3.8x sales vs. IT peer median 4.2x.

Ownership: Promoters 24%; FII 23%; DII 25%; public 28%. Stable promoter stake with low pledging (0%).

Latest Financials

Revenue: FY25 ₹5,281 Cr (+7.7% YoY); 9M FY26 ₹4,200 Cr (+8% YoY); Q3 FY26 ₹1,431 Cr (+7.9% YoY, +2% QoQ). Constant currency growth 9.2%.

EBITDA & Margins: FY25 EBITDA ₹815 Cr (margin 15.4%); Q3 FY26 ₹251 Cr (17.5% margin, +190 bps YoY) due to utilisation rise to 82% and pyramid optimisation.

PAT: FY25 ₹740 Cr (+10% YoY); Q3 FY26 ₹200 Cr (+25% YoY); EPS ₹24.6 TTM. ROE 20.1% (5Y avg 15%), ROCE 25.8%.

Balance Sheet: Debt/Equity 0.01x; cash + investments ₹2,240 Cr; working capital days 70 (stable); capex FY25 ₹150 Cr focused on data centres/AI.

Order Book: TCV FY26 \$774 Mn (+30% YoY, 55% AI-led); new logos 10 in Q3; pipeline \$3 Bn.

Services Portfolio

Core Offerings: Digital transformation via Zensar DIGVOLVE (AI/ML, cloud, IoT, cybersecurity); application dev/management, data engineering, BPM.

Verticals Breakdown: BFSI 35%, Hi-tech/Manufacturing 30%, Healthcare/Media 20%, Energy/Utilities 15%. Shift to product engineering (25% revenue).

Key Differentiators: 70% repeat business; AI Factory (GenAI pilots for 20 clients); partnerships with AWS, Microsoft, ServiceNow; IP assets like Nex-Z platform.

Elaborated Growth Drivers

AI & Digital Deals: 30% TCV AI-led (\$232 Mn in FY26); Q3 wins include \$210 Mn BFSI managed services (5.5Y), \$50 Mn hi-tech deal. Targets 15% CC growth FY26 via 1,000+ AI opportunities.

Geographic/Geography Expansion: US 60% revenue (up 10% YoY), Europe 25%, India/APAC 15%; new centres in Poland, Mexico for nearshore delivery.

Margin Levers: Utilization 82% (up 200 bps), attrition 12% (industry 18%); offshoring to India 70% (from 60%); pricing +2-3% annually. Guides 16-17% EBITDA FY26.

M&A & Investments: ₹500 Cr war chest for tuck-ins in AI/cloud; recent bolt-ons like Web Source (data management) boost capabilities.

Sector Tailwinds: BFSI digitisation, manufacturing re-shoring, healthcare AI; \$1 Tn global IT spend growth by 2027 favours mid-tier agility. Expects 12-14% CAGR to FY28.

Disclaimer-

Investment in securities market is subject to market risks. Read all the related documents carefully before investing. Trading in Futures & Options (F&O) carries high risk as it depends on market momentum. "Registration granted by SEBI & Certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to Investors." Past performance is no guarantee of future results.

Intraday- Not more than one day

Short term – 0-15 days

Medium term – 1- 3 months

Long term – more than a Year

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