InsightKnox

being there...

ZEN TECHNOLOGIES LIMITED

Zen Technologies Limited
NSE: ZENTEC

Sector: Industrials | Industry: Aerospace & Defense
In Dept Business and Financial Analysis - FY 2025
Report Date: 7th September, 2025

1. Overview

About the Company
Zen Technologies Limited is a defense technology company specializing in the design, development, and manufacture of combat training simulators, anti-drone systems, and remote weapon stations. Established in 1993 and headquartered in Hyderabad, India, the company has positioned itself as a leader in indigenous military simulation and counter-UAV solutions, serving both domestic and international defense clients.

Headquarters & Incorporation Year
Incorporated in 1993, headquartered in Hyderabad, Telangana.

Promoter Background
Zen Technologies was founded by **Mr. Kishore Dutt Atluri**, and is currently led by **Mr. Ashok Atluri**, who serves as the **Chairman and Managing Director**. Under his leadership, Zen has evolved from a small simulation firm into a high-margin, high-growth defense-tech player.

Key Business Evolution
Zen began with basic small-arms training simulators for the Indian Army. Over time, the company diversified into complex simulation solutions including Integrated Air Defence Combat Simulators, live-fire ranges, constructive & virtual training platforms, and CUAS (Counter-Unmanned Aerial Systems). The company has also acquired or invested in new-age defense tech firms such as Vector Technics (drone propulsion systems) and Bhairav Robotics (autonomous defense platforms).
Zen's R&D-driven approach has enabled it to secure over 159 patents and certifications including ISO 9001, CMMI Level 5, and DGQA approval. The company has become a preferred supplier to the Ministry of Defence (MoD), with increasing traction in exports and paramilitary contracts.

2. Business Model

Core Products

Zen Technologies operates a focused defence-tech model with in-house capabilities across design, development, manufacturing, and support of advanced training and warfare systems. Its offerings fall under three main verticals:

1. Combat Training Simulators

- Live, virtual, and constructive simulators for small arms, tanks, artillery, and air defense systems.
- Includes Integrated Air Defence Combat Simulator (IADCS), Force-on-Force Training, Driving Simulators, and Mobile Ranges.

2. Counter-Drone Systems (CUAS)

- Multi-layered solutions for drone detection, tracking, classification, and neutralization using passive RF sensors and jammers.
- Used by armed forces and critical infrastructure protection units.

3. Remote Controlled Weapon Stations (RCWS) & Robotics

- Weapon mountings (e.g., Barbarik, Parashu) for tanks, naval vessels, and mobile platforms.
- Includes upgrades with camera systems (Durgam), AI-based targeting, and integration with armoured vehicles.

End-User Industries

Zen serves defence and homeland security sectors, with customers including:

- Indian Armed Forces (Army, Navy, Air Force)
- Ministry of Defence (MoD)- Paramilitary Forces
- State Police Forces
- Export Markets: Friendly foreign nations with defence cooperation agreements

Revenue Drivers

1. Equipment Sales: Core revenues from simulator and CUAS system sales under MoD contracts.
2. Maintenance Contracts (AMC): Long-term support packages post-installation.
3. Exports: Sales to international defence agencies and governments.
4. High-Margin Product Mix: Proprietary tech and software licensing for simulators enhance gross margins.
5. Backward Integration: R&D-led products reduce dependency on imports and offer pricing control.

Distribution Network & Customer Base

Zen follows a B2G (Business-to-Government) model, with direct relationships with defence procurement departments. Major contracts are won through:

- Competitive bidding via MoD and DRDO
- Inclusion in defence procurement lists (DPSUs)
- Export agreements through government-to-government (G2G) channels

Key customers include the **Indian Army, Indian Navy, Border Security Force (BSF)**, and defence ministries of export markets. With more than **90% of orders from repeat clients**, Zen has built deep trust within its niche.

3. Product Portfolio

Key Simulation & Training Systems

Zen is best known for its advanced simulation products, which form the core of its business. These include:

1. Live Simulators: Used for actual weapons training in controlled environments. Zen's Live Fire Ranges and Mobile Ranges enable real-time engagement with battlefield realism.

2. Virtual Simulators: These simulate combat scenarios digitally, including driving simulators for military vehicles and weapon simulators for tanks and artillery systems.

3. Constructive Simulators: Used for war-gaming and tactical-level decision-making training.

4. IADCS (Integrated Air Defence Combat Simulator): A flagship product designed to train air defence gun crews (e.g., for the L70 gun) in a fully integrated simulation environment. This was part of one of Zen's largest contracts from the Ministry of Defence.

5. Force-on-Force Training Systems: Allows infantry units to simulate battles with real-time feedback using GPS and laser sensors for realism without live fire.

Defence-Specific Technologies

In recent years, Zen has expanded into technologies aligned with new-age warfare:

1. Counter-Drone Systems (CUAS): These systems use passive RF sensors to detect, track, classify, and neutralize hostile drones using jammers.

2. Remote Controlled Weapon Stations (RCWS): Zen offers a range of smart weapon mountings for tanks, naval platforms, and border surveillance units. Key products include Barbarik, Parashu, and Sharur, which are adaptable to various vehicles and platforms.

3. AI-Enabled Surveillance: Products like Durgam (rugged thermal camera systems) and Hawkeye (smart optical platforms) enhance battlefield visibility and targeting.

4. Naval Combat Solutions: Zen has started providing RCWS systems for maritime applications, expanding its reach to naval defence.

5. Combat Robotics & Autonomous Platforms: Through its acquisition of Bhairav Robotics, Zen is entering into the autonomous ground combat segment, aligning with future warfare trends.

Revenue Mix

- Simulation systems (live, virtual, constructive) contribute the majority of revenue, roughly 60-65%.
- Counter-drone systems form the second-largest contributor, estimated at 20-25%.
- RCWS, surveillance systems, and emerging robotics technologies account for around 10-15%.
-Annual maintenance contracts (AMCs), training services, and support contribute a smaller share, typically under 10%, but offer recurring income and margin stability.

4. Order Book & Pipeline

Breakdown of Order Book

As of September 30, 2024, Zen reported a robust order book of approximately ₹957 crore. While this came down slightly to ₹817 crore by December 31, 2024, it still reflects a healthy pipeline and indicates consistent order inflows and execution progress.

Type of Contracts

Zen's contracts are primarily with:

1. Ministry of Defence (MoD)- This remains the largest source of business, including simulator packages and integrated training systems for the Indian Army and Air Force.

2. Paramilitary Forces and State Police- For CUAS (anti-drone) and training systems, especially in border and insurgency-affected regions.

3. Export Clients- The company has started receiving international orders from friendly nations for its CUAS and simulation systems. Specific names and countries are not disclosed for security reasons, but export contributions are expected to grow.

4. DPSUs (Defence Public Sector Undertakings)- Some projects are routed through state-owned defence firms that integrate Zen's systems into larger defence platforms.

Client Profile: Government vs. Private

Zen operates almost entirely in the government and defence sector, with minimal or no exposure to private sector clients. This B2G model ensures predictable payments, lower credit risk, and eligibility for defence procurement schemes.

- **Government/Public Sector:** ~95-100% of the total order book
- **Private Sector:** Insignificant or nil; Zen has consciously chosen to focus on defence and institutional buyers.

Execution Visibility

The current order book size, combined with the company's average execution timeline, suggests 2 to 3 years of revenue visibility. Most contracts are milestone-based and span across 12-30 months, depending on project complexity.

In FY25 alone, Zen booked and began executing its largest single contract, a comprehensive Integrated Air Defence Combat Simulator project which will significantly contribute to revenues in the current and following fiscal years

5. Capacity Expansion Plans

Current Manufacturing

Zen operates its primary manufacturing and assembly unit at Maheshwaram, Telangana, near Hyderabad. This facility is equipped to handle end-to-end production of simulators, counter-drone systems, and electronic subsystems.

The company also has an in-house R&D division that is central to its innovation pipeline. Zen has received CMMI Level 5 certification for its software development and has filed over 159 patents, indicating strong indigenous research capabilities.

New Facility & Technological Upgrades

- In response to increased order inflow, Zen expanded its assembly unit at Maheshwaram, which has enhanced its throughput for simulator and CUAS manufacturing.

- The company has also invested in advanced testing infrastructure for its anti-drone and RCWS platforms, particularly in areas like signal jamming, radar tracking, and system integration.

- There is a renewed focus on developing next-generation technologies, including AI-driven robotics, autonomous surveillance systems, and naval RCWS, facilitated by Zen's recent acquisitions of Vector Technics and Bhairav Robotics.

Investment Outlay & Funding

- While Zen has not disclosed exact capex figures for every project, the company has maintained a high cash reserve position (₹1,028 crore as of December 2024) and has indicated that ongoing expansions are internally funded.

- The acquisitions of Vector Technics and Bhairav Robotics were also completed without resorting to debt, reflecting financial prudence.

- Capital is being strategically allocated to R&D expansion, product innovation, and automation of manufacturing lines, particularly for counter-drone and smart weapon systems.

Timeline

- The expanded assembly capacity at Maheshwaram was fully operational by mid-FY25, enabling Zen to scale execution of large MoD orders in FY25 and FY26.

- Further enhancements to the R&D centre and potential automation in CUAS production are expected to be completed over the next 12–18 months.

- Benefits from these investments are already visible in Zen's ability to execute large contracts on schedule and are expected to support continued margin expansion and export-readiness in the coming years.

6.Financial Highlights

Revenue Trends (3–5 Years)
- Over the past three fiscal years, Zen's revenues have grown sharply, with a particularly strong surge in FY25, where it achieved revenues exceeding ₹900 crore, surpassing management's own projections.

- This growth has been largely driven by execution of large simulator and CUAS orders, as well as rising export sales.

- Quarterly performance in FY25 showed consistent momentum - Q1 FY25 revenue stood at ₹253.96 crore (up ~92% YoY), while Q2 FY25 revenue was ₹241.69 crore (up ~277% YoY).

EBITDA & PAT Growth
- EBITDA margins have consistently remained high, exceeding 35% in FY25 and even reaching ~40% in Q1 FY25.

- PAT margins crossed 25% in FY25, supported by high-value indigenous products and efficient execution.

- Profit after tax has grown at a rapid pace, outpacing revenue growth due to favourable operating leverage.

Key Profitability Margins
EBITDA Margin: ~35-40% (among the highest in the Indian defence sector)
PAT Margin: ~25-28% in recent quarters
High margins are a result of proprietary technology, limited competition in niche segments, and government policy favouring domestic procurement.

Balance Sheet Summary
- Zen maintains a very low debt-to-equity ratio (~0.03), highlighting its asset-light and cash-rich model.

- Cash & Bank Balances stood at ₹1,028 crore as of December 31, 2024, providing ample liquidity for capacity expansion, R&D investment, and strategic acquisitions.

- The company has funded all recent growth initiatives and acquisitions internally, without increasing leverage.

- Working capital cycles remain efficient due to milestone-based payments from government contracts and minimal exposure to credit risk

7. Key Ratios

Ratio	FY24	FY25 (Provisional)	Remarks / Trend
Return on Equity (ROE)	16.0%	17.2%	Strong returns driven by high margins and efficient capital use
Return on Capital Employed (ROCE)	~23.0%	22.8%	High asset turnover and profitability

Ratio	FY24	FY25 (Provisional)	Remarks / Trend
Return on Equity (ROE)	16.0%	17.2%	Strong returns driven by high margins and efficient capital use
Debt-to-Equity	0.03x	0.03x	Very low leverage; debt-free growth strategy
Interest Coverage Ratio	~35%	~37%	Among the highest in the Indian defence manufacturing sector

8. Management and Shareholding

Board and Management Team

Chairman & Managing Director: Mr. Ashok Atluri: promoter leader responsible for strategy, business development and investor relations.

Founder / Promoter family involvement: The Atluri family (founder presence historically linked to company evolution) remains actively involved in executive and strategic roles.

Senior management & functional heads: Zen's operating team includes heads for R&D, manufacturing, exports and finance; investor materials highlight a professional management layer supporting the promoter family (detailed names and profiles are listed in the annual report / investor deck).

Board composition: A mix of executive promoters and independent / non-executive directors with defence, finance and governance experience (investor presentation lists board members and their credentials).

Shareholding Pattern

As of June 30, 2025, the promoter and promoter group of Zen Technologies Ltd. holds 49.05% of the company's equity share capital, with no pledged shares, indicating strong promoter confidence and financial stability. Foreign Institutional Investors (FIIs/FPIs) own 6.03%, reflecting steady overseas interest in the company's growth prospects. Mutual funds hold 6.77%, while the total Domestic Institutional Investor (DII) shareholding including mutual funds and other domestic institutions stands at 8.76%. The remaining 36.16% is held by retail investors and other public shareholders, demonstrating a significant level of retail participation in the stock.

Recent Changes in Shareholding

According to the Share Holding Pattern disclosed on the company's official website as of June 30, 2025, the Promoter & Promoter Group stake stands at 49.05%. Quarter-on-quarter performance shows that while the promoter holding has remained stable at 49.05%, there have been notable shifts among institutional investors in the June 2025 quarter:

- Foreign Institutional Investors (FII/FPI) increased their stake from 5.95% in March 2025 to 6.04% in June 2025
- Mutual Funds reduced their exposure from 7.70% in March 2025 to 6.77% in June 2025
- As a result, total Domestic Institutional Investor (DII) holdings decreased slightly from 9.47% in March 2025 to 8.75% in June 2025

9. Business Segments

Segment	Q4 FY25 Revenue (₹ Cr)	FY25 Revenue (₹ Cr)	Growth Rate	Margin Profile
Equipment Sales	283.33	870	130%+	35-40%
Annual Maintenance Contracts (AMC)	10.27	100	15-20%	Superior margins 50%+
Export Revenue	55.5	150	High growth	Competitive margins

Equipment Sales are the largest in size, accounting for over 87% of Q4 FY25 revenue, driven by strong order execution including the Integrated Air Defence Combat Simulators (IADCS) for L70 guns from the Ministry of Defence.

Annual Maintenance Contracts (AMC) are recurring revenue with high profitability. The company has recently won a ₹46 crore AMC from the Ministry of Defence for 5 years, which speaks of the stability of this kind of revenue. With a simulator lifecycle of 15 years, every sale of a simulator generates potential AMC revenue of 120% of the initial product sale throughout its lifespan.

Geographic diversification reflects domestic revenue of ₹227.73 crore and revenue from exports of ₹55.5 crore during Q4 FY25, with the company making a strong push in the international markets of UAE and USA.

10. Industry Outlook

Parameter	Value	Growth/Change
Defense Budget FY26	₹6.81 lakh crore (+9.5%)	+9.5% YoY
Capital Procurement	₹1.8 lakh crore	26.4% of total budget
Defense Production FY24	₹1.27 lakh crore (+16.7%)	+16.7% YoY
Defense Exports FY24	₹21,083 crore	31x growth in decade
Indigenous Content	75% of procurement	Make in India focus
PLI Allocation FY26	₹19,500 crore (+76%)	+76% allocation

The Atmanirbhar Bharat and Make in India initiatives by the government greatly support local manufacturers such as Zen Technologies. The Defense Acquisition Procedure (DAP) 2020 gives preference to indigenous procurement with 75% of the ₹1.4 lakh crore capital procurement budget earmarked for domestically produced goods.

Global defense expenditure totaled around $2.1 trillion in 2021 while the military simulation and training market stood at $12.6 billion and is to grow at a CAGR of 5.4% during the period between 2022 and 2028. This offers tremendous export prospects for Zen Technologies.

11. Growth Drivers

Various strong growth drivers are powering the momentum of Zen Technologies' business. Defence indigenization is getting momentum, which means that there are greater pipeline positions for procurement, with more contracts being reserved for Indian suppliers.

Continuous evolution of technology and increasing complexity of defence requirements add to the need for sophisticated simulation and training systems.

Here lies the strength of R&D at Zen. Government defense capital expenditure continues to rise and directly expands the addressable market.

Another top pick driver is Zen's first-mover benefit and tech leadership in counter-drone and anti-UAV solutions, a niche but very fast-growing segment based on recent conflicts and cross-border security incidents.

Export market opportunities are also emerging as India drives towards ambitious defence export goals over the next couple of years. The modernization requirement of armed forces—both domestically and internationally—along with government-supported innovation incentives, underpin Zen's long-term thesis.

12. SWOT Analysis

Strengths

1. Sturdy R&D base with 12% of top line on innovation with 172+ patent filings.
2. Leadership in simulation-based military training with proven track record with defense forces.
3. Strong relationships with government customers, winning contracts over ₹200 crore over last few years.
4. Wide and diverse product portfolio in 15+ products across aerial surveillance, maritime security, and ground combat simulation.
5. Almost debt-free status with solid financial health.

Weaknesses

1. High dependence on government contract for revenue, amounting to 80% of its revenues, making a
vulnerable client to policy changes.
2. Low international market compared with competitors such as Thales Group and Lockheed Martin.
3. High R&D spend at 15% of revenue puts huge pressure on profitability in slow growth periods.
4. Prone to defense budget cuts as depicted by the 5% cut in 2021.
5. High debtor days stood at 154 days, showing working capital issues.

Opportunities

1. Global defense budget growth of $2.1 trillion provides global expansion.
2. Military simulation market to gain at 5.4% CAGR to reach impressive value by 2028.
3. Strategic collaborations with international defense companies, with more than $7 billion in deal volume in 2021.
4. Cybersecurity market expansion from $217.9 billion in 2021 to estimated $345.4 billion by 2026.
5. Government directives support global penetration of the export market.

Threats

1. High competition from global giant players with significant strength in international operations.
2. Geopolitical instability affecting international clients and defense spending priorities.
3. Rapid technological advancement requiring continuous R&D investment to maintain competitiveness.
4. Regulatory changes in defense procurement processes creating compliance hurdles.
5. Budget allocation uncertainties affecting contract awards and project timelines.

13. Peer Comparison

Company	FY25 Revenue (₹ Cr)	FY25 Net Profit (₹ Cr)	P/E Ratio	EV/EBITDA
Zen Technologies	974	273	51	36.5
Hindustan Aeronautics (HAL)	30,800	8,464	35	20
Bharat Electronics (BEL)	23,769	5,323	50.3	27.7
Astra Microwave	1,050	143	76	51
Paras Defence	365	62	79	48

14. Insider Activity

Promoter Holding:
The promoter holding has been consistent at 49.05% with no pledged shares, reflecting confidence of promoters. Important promoters are Ashok Atluri (Chairman & MD) holding 21.65% and Kishore Dutt Atluri (Joint MD) holding 16.33%.

Institutional Action:
FII holdings rose marginally by 0.08% while mutual fund holdings fell by 0.93%, reflecting some institutional rebalancing. The fact that there are 111 FIIs reflects widespread international investor interest.

Retail Participation:
Retail and other investors constitute 36.16% of shareholding, showing strong retail investor participation with a quarterly increase of 0.63%.

Notable Holdings:
Motilal Oswal funds hold significant positions, with Motilal Oswal Manufacturing Fund at 4.24% and Focused Fund at 3.80% of shareholding

15. HNI / Preferential Issues & Policy Impact

Initiative/Policy	Impact on Zen Tech	Budget/Allocation
Make in India	Priority in procurement	Focus area
Atmanirbhar Bharat	75% indigenous focus	Self-reliance goal
PLI Scheme	Manufacturing incentives	₹19,500 crore FY26
Defense Acquisition Procedure 2020	Domestic preference	Policy framework
iDEX Initiative	Innovation support	Startup ecosystem
Export Push	Global market access	₹35,000 crore target by 2025

PLI Scheme Increase: The government enhanced PLI allocations by 76% to ₹19,500 crore in FY26, with large jumps in electronics manufacturing (56% jump to ₹9,000 crore) and other areas applicable to defense manufacturing.

Defense Budget FY26: The record ₹6.81 lakh crore allocation is a 9.5% hike, where ₹1.8 lakh crore will be for capital expenditure and 75% of procurement would be reserved for local manufacturers. This benefits Zen Technologies' order book directly.

Export Initiatives: India's defense export target of ₹35,000 crore in 2025, driven by successful products such as BrahMos missiles, offers scope for growth internationally for Zen Technologies. The company has already opened offices in UAE and USA to take advantage of this opportunity.

Innovation Support: iDEX offers a platform for defense innovation, helping organizations such as Zen Technologies create future defense solutions. The government's endorsement of Zen's research and development strength upholds this support.

Regulatory Framework: DAP-2020's focus on local procurement and the "Buy Indian IDDM" category especially favors Zen Technologies, making it a go-to supplier for the Indian Armed Forces.

The synergy of these policy actions provides a conducive environment for Zen Technologies, promoting both local market growth and global opportunities for expansion while sustainably preserving the company's competitive edges in simulation and anti-drone technologies

16. Financial Performance

Revenue

Zen Technologies' revenue outlook remains strong, underpinned by domestic defense modernization, export opportunities in simulators and counter-drone systems, and ongoing indigenization. The company delivered an approximately 46% revenue CAGR over FY20–FY25, reflecting rapid scale-up, product mix shift toward higher-value systems, and improved execution on milestone-based contracts. For FY25–FY30, a forward CAGR assumption of about 30–35% is used to reflect growth normalization from a higher base while still capturing healthy order inflows, export traction, and new product cycles.

Key drivers:

- Multi-year demand from Indian armed forces, paramilitary, and police for simulation, training ranges, and CUAS.
- Expanding export pipeline as cost-effective, high-fidelity solutions gain adoption.
- Continuous product innovation and platform extensions broadening the addressable market.
- Execution remains milestone-based and can be lumpy quarterly, but annual growth should remain robust.

EBITDA

EBITDA margins are expected to remain strong and a rising share of high-margin proprietary simulators and counter-drone systems, plus services/spares, should underpin margins despite project lumpiness; ongoing operating leverage from prior capex in testing and process standardization supports holding the line near mid-30s over the horizon.

Assumptions:

Defensible rationale for using a 33%–36% EBITDA margin band (35% base) for FY26–FY30:

- Anchored to management guidance and definitions: Management has repeatedly framed a through-cycle "operational EBITDA" around the mid-30s, cautioning against reading too much into quarterly swings; setting a 35% midpoint aligns with that conservative, cycle-average stance while allowing for execution variability within a narrow band.
- Consistent with recent print yet normalized: FY25 reported/operational EBITDA margins were elevated on mix and scale, but guidance implies normalization as deliveries and pricing revert toward steady-state; a 33%–36% corridor captures that normalization while still reflecting structurally higher profitability from proprietary systems.

Capex

Capex will support capacity, testing infrastructure, and R&D to sustain growth and product roadmap.

Assumptions:

- Total FY26–FY30 capex: ₹475–₹600 crore, consistent with prior indication that capex would be meaningful but funded largely via internal accruals given a debt free posture and strong cash balance, front loaded for production augmentation, test facilities, and accelerated R&D. Funding very large, contracted orders require accelerated capacity, allow a one-off uplift that remains within a D/E policy guardrail of 0.10x, reverting to maintenance capex thereafter.
- Rationale: Maintain delivery readiness for complex, high-mix systems. Support export certifications and iterative product upgrades. Align capacity and working capital buffers with milestone-based execution.

P&L Assumptions		2022A	2023A
Revenue Growth	%		214%
COGS	%	25%	30%
Gross Margin	%	75%	70%
Employee Costs	%		16%
Other Expenses	INR Crs	26.99	44.08
EBITDA	%	7%	33%
Depreciation (Dep / Op. FA Bal)	%		10%
Finance Costs (FC / Op. Loan Bal)	%		33%
Taxes	%	19%	31%

P&I		2022A	2023A
Revenue	INR Crs	69.75	219
Less : COGS	INR Crs	17.19	66
Gross Profit	**INR Crs**	**52.56**	**153**
Less : Expenses			
Employee Costs	INR Crs	21.01	36
Other Expenses	INR Crs	26.99	44
Total Expenses	**INR Crs**	**48**	**80**
EBITDA	**INR Crs**	**4.56**	**73**
Other Income	INR Crs	5.38	7
Depreciation	INR Crs	4.83	6
Finance Costs	INR Crs	1.53	4
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	**INR Crs**	**3.58**	**70**
Less : Tax Expenses		**0.69**	**22**
Profit After Taxes		2.89	47.97

2024A	2025A	2026E	2027E	2028E	2029E	2030E
101%	121%	25%	26%	26%	27%	27%
29%	40%	40%	40%	40%	40%	40%
71%	60%	60%	60%	60%	60%	60%
13%	9%	3%	3%	3%	3%	3%
71.31	126.63	Balance Net Off EBITDA				
41%	38%	30%	30%	30%	30%	30%
14%	17%	5%	5%	5%	5%	5%
39%	-	11%	11%	11%	11%	11%
31%	26%	25.17%	25.17%	25.17%	25.17%	25.17%

2024A	2025A	2026E	2027E	2028E	2029E	2030E
440	974	1,460	2,264	3,961	6,338	12,043
129	385	570	872	1,506	2,378	4,817
311	**589**	**891**	**1,392**	**2,456**	**3,961**	**7,226**
59	89	146	226	396	634	723
71	127	263	396	673	1,045	2,409
130	**215**	**409**	**622**	**1,069**	**1,679**	**3,131**
181	**374**	**482**	**770**	**1,387**	**2,282**	**4,095**
15	58	58	58	58	58	58
10	15	32	53	72	85	95
2	10	6	6	6	6	6
			-			
184	**406**	**502**	**770**	**1,367**	**2,249**	**4,052**
57	**107**	**126**	**194**	**344**	**566**	**1,020**
126.64	299.6	375.8975	575.8756	1023.166	1683.14	3032.496

VALUATION -DCF

Cost of Equity	15.42%	
Present Value INR Crs		**3,403**
Perpetual Growth Rate	5.50%	
Terminal Value (Part II)		
Terminal Value		34,834
Present Value of Terminal value (Part II)		**17,009**
Equity Value (Part I + Part II)		**20,413**
Number of Shares		9.03
Value Per share		***2,261***
Price as on Valuation Date		**1,503**
Premium / Discount		***-34%***

DISCOUNT RATE

SENSITIVITY ANALYSIS

GROWTH RATE	13%	14%	15.26%	16%	17%
3%	2,436.39	2,158.74	1,876.22	1,737.15	1,573.95
4%	2,683.46	2,353.88	2,025.03	1,865.50	1,680.25
5%	2,992.28	2,592.39	2,202.84	2,017.19	1,804.27
6%	3,389.35	2,890.52	2,419.06	2,199.22	1,950.84
7%	3,918.77	3,273.84	2,687.63	2,421.70	2,126.73

Ratio Analysis of - ZEN TECHNOLOGIES LTD						
Years	Mar-15	Mar-16	Mar-17	Mar-19	Mar-20	Mar-21
SalesGrowth		-33.01%	17.03%	49.76%	61.88%	-63.40%
EBITDA Growth		-80.17%	174.15%	46.87%	276.18%	-88.23%
EBIT Growth		-115.45%	-310.98%	49.81%	579.78%	-97.55%
Net Profit Growth		-125.36%	-212.38%	188.42%	455.34%	-100.44%
Dividend Growth		-71.48%	50.65%	100.00%	33.19%	-74.86%
Gross Margin	56.40%	35.75%	48.07%	43.90%	53.14%	36.73%
EBITDA Margin	26.58%	7.87%	18.43%	18.08%	42.01%	13.51%
EBIT Margin	23.72%	-0.34%	12.52%	13.96%	38.94%	4.45%
EBT Margin	21.01%	-4.85%	8.74%	8.74%	36.70%	2.45%
Net Profit Margin	15.81%	-5.99%	5.75%	11.07%	37.98%	-0.46%
SalesExpenses%Sales	29.82%	27.88%	29.64%	25.82%	11.14%	23.22%
Depreciation%Sales	2.86%	8.21%	5.91%	4.12%	3.06%	9.06%
OperatingIncome%Sales	23.72%	-0.34%	12.52%	13.96%	38.94%	4.45%
Return on Capital Employed	12.36%	-0.12%	5.89%	7.27%	30.02%	1.18%
Retained Earnings%	78.26%	0.00%	67.23%	77.28%	94.55%	0.00%
Return on Equity%	11.19%	-2.80%	2.96%	7.56%	29.66%	-0.12%
Self Sustained Growth Rate	8.76%	0.00%	1.99%	5.84%	28.04%	0.00%
Interest Coverage Ratio	8.75	-0.08	3.31	2.68	17.36	2.23
Debtor Turnover Ratio	1.32	6.53	3.02	1.26	3.21	2.94
Creditor Turnover Ratio	2.94	3.80	4.00	2.22	7.33	3.22
Inventory Turnover	5.23	5.37	7.78	2.61	10.63	3.72
Fixed Asset Turnover	1.66	1.19	1.37	1.46	2.06	0.79
Capital Turnover Ratio	0.71	0.47	0.52	0.68	0.78	0.27

Mar-22	Mar-23	Mar-24	Mar-25	MEAN	MEDIAN
27.65%	213.76%	100.98%	121.36%	55.11%	49.76%
-38.08%	1488.84%	148.97%	111.57%	226.68%	111.57%
-233.58%	-3589.94%	170.24%	105.95%	-382.41%	-97.55%
892.00%	-1741.53%	175.53%	114.81%	-39.29%	114.81%
0.00%	98.75%	400.00%	100.00%	70.69%	50.65%
35.33%	48.39%	54.30%	48.54%	46.05%	48.23%
6.55%	33.18%	41.10%	39.28%	24.66%	22.51%
-0.37%	30.41%	38.90%	37.70%	19.99%	18.84%
-2.57%	28.54%	38.38%	35.71%	17.29%	14.87%
-3.56%	18.60%	25.50%	24.75%	12.95%	13.44%
28.77%	15.22%	13.20%	9.26%	21.40%	24.52%
6.92%	2.77%	2.20%	1.58%	4.67%	3.59%
-0.37%	30.41%	38.90%	37.70%	19.99%	18.84%
				0.00%	
-0.09%	20.61%	37.63%	20.64%	13.54%	9.82%
0.00%	96.09%	92.51%	92.50%	59.84%	77.77%
-0.88%	12.88%	25.00%	14.17%	9.96%	9.37%
0.00%	12.37%	23.13%	13.11%	9.32%	7.30%
-0.17	16.31	75.04	18.94	1443.66%	602.77%
2.20	2.56	2.38	2.37	277.99%	247.35%
0.98	1.45	1.49	3.60	310.27%	308.28%
2.80	4.47	2.60	8.16	533.73%	484.80%
1.04	2.91	4.71	4.68	218.56%	156.08%
0.25	0.69	0.98	0.57	59.13%	62.75%

REVENUE GUIDANCE

Current Revenue	974
CAGR	83%
Final Revenue	1782.42
PAT Margin	23%
PAT	409.9566
P/E Ratio	50
Projected Future Market Cap	20497.83
Current Market Cap	13591
%age Upside (Downside)	50.82%

ORDER BOOK

Total Orderbook for 12 Months	754
PAT Margin	23%
Expected Orderbook PAT	173.42
Current PAT	24100%
Total PAT	414.42
P/E Ratio	50
Projected Future Market Cap	20721
Current Market Cap	13591
%age Upside (Downside)	52.46%

THANK YOU!!

We appreciate your time in exploring our comprehensive analysis of Zen Technologies Ltd. Through this report, we aimed to offer more than just numbers - we sought to uncover the strategic vision, operational rigor, and financial foundation that defines the company's journey.

At InsightKnox, we are committed to bringing clarity to complexity. Our mission is to decode market movements, company fundamentals, and sector trends through deep research and actionable insights that empower informed decision making.

We hope you found value in this report, we invite you to stay connected with us as we continue to publish high-quality breakdowns, industry insights, and investment narratives.

Stay connected with us for more such deep dives and Market Insights.

Website: insightknox.com
Instagram: insightknox_
LinkedIn: insightknox_in