

# ZEN TECHNOLOGIES LTD (ZEN)

"A Rare Defence Tech Compounding Story"

August 21, 2025



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Zen Technologies Ltd. (ZEN:IN)

Aug 21, 2025 | CMP: INR 1,421 | Target Price: INR 2,150  
Expected Share Price Return: 51.0% | Dividend Yield: 0.0% | Expected Total Return: 51.0%

Sector View: Positive

BUY



Company Information

BB Code	ZEN:IN EQUITY
ISIN	INE520A01027
Face Value (INR)	1.00
52 Week High (INR)	2,628
52 Week Low (INR)	946
Mkt Cap (INR Bn)	128.3
Mkt Cap (USD Bn)	1.47
Shares Outstanding (Mn)	90.3
Avg. FY27-28E EPS (INR)	61.4

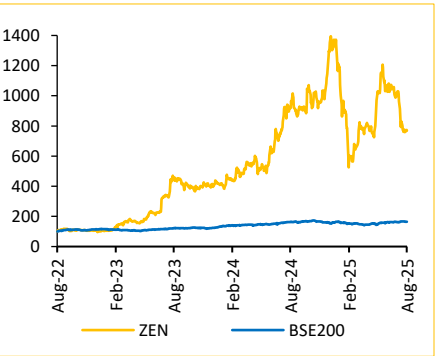
Shareholding Pattern (%)

	Jun-25	Mar-25	Dec-24
Promoters	49.05	49.05	49.05
FIIs	6.04	5.95	8.29
DII	8.75	9.47	8.7
Public	35.72	35.10	33.24
Others	0.43	0.44	0.46

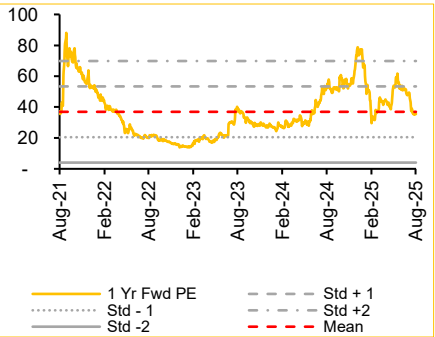
Relative Performance (%)

YTD	3Y	2Y	1Y
BSE 200	64.8	36.1	1.0
ZEN	669.5	69.2	-16.2

Rebased Price Performance (%)



1 Yr Forward PE Band



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Sky wars are real – India needs 5,500–6,500+ anti-drone shields

We expect the drone market in India to expand at ~35% CAGR over FY22–FY30E. The growth poses a grave security threat. We believe, this, in turn, has catalysed demand for cost-effective countermeasures, with the anti-drone market expected to grow at a faster clip of ~38.9% CAGR over FY23–27E.

Our estimates suggest India will require 5,500–6,500+ anti-drone systems to secure its strategic assets. This represents a market potential of INR 66,000–78,000 Cr – a structural shift redefining modern air defence.

Training wars without bullets; simulators are invisible force multiplier

The shift towards cost-efficient combat-readiness has accelerated the adoption of simulator-based training. ~80% of ‘Agniveer’ training uses high-fidelity simulators, thus delivering 50–60% of cost-saving and swift operational preparedness.

We believe ZEN, backed by its proprietary IP, would encash this opportunity. The global military simulation market is projected to reach USD 13.2 Bn by 2030 (6.1% CAGR), wherein India is emerging as a key growth engine.

Strategic acquisitions fortify ZEN’s evolution

We believe that ZEN is transitioning from a pure-play training & simulation provider to a vertically-integrated defence tech platform. The INR-1,300 Mn acquisition of ARIPL & ARI Labs strengthens its position in naval simulation. Meanwhile, enhancing its IP depth, ZEN has taken a stake each in Bhairav Robotics & Vector Technics, which is targeting INR 1,000 Mn rev. in 2–3 yrs

ZEN’s exports take flight – powered by diplomacy, trust & proven tech

In our view, India’s unique diplomatic position, maintaining strategic ties with both, the US and Russia, makes it a neutral defence partner. Combined with growing trust in Indian equipment, it’s encouraging several countries to look beyond traditional suppliers. ZEN, with its expanding footprint (in US, and UAE) is well-placed to benefit. With Govt backing and global RFP momentum, we anticipate ZEN’s export share to rise, from 5% to 20–25% by FY27E.

Investment View

We initiate coverage on ZEN, a rare defence-tech player, which is expanding into futuristic weapon platform. The ZEN’s current order book stands at INR 7,545 Mn (i.e. 0.77x of FY25 revenue). We expect ZEN to deliver Revenue /EBITDA/PAT CAGR of 34.2%/31.5%/29.2% over FY25–28E. We assign a ‘BUY’ rating with a target price of INR 2,150, implying 51.0% upside, valuing the company at 35x PE on an average FY27–28E EPS of INR 61.4; implying industry low PEG ratio of 1.45. We have used DCF for sanity check, which implies fair value of INR 2,125.

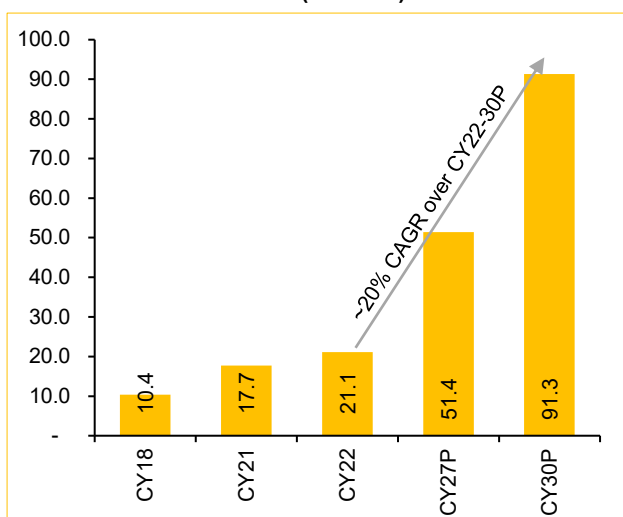
**Upcoming Trigger:** We expect meaningful order inflows (~INR 6,400 Mn) for ZEN, from October this year. Discussion with a couple of friendly countries is underway; which could materialise in FY27E. Rising global RFP activity further enhances revenue visibility.

Key Financials

Particulars (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	4,399	9,736	10,515	16,825	23,554
YoY (%)	101.0	121.4	8.0	60.0	40.0
EBITDA	1,808	3,735	3,691	5,982	8,503
EBITDAM %	41.1	38.4	35.1	35.6	36.1
Adj PAT	1,295	2,993	2,975	4,633	6,457
EPS	15.5	32.1	32.9	51.3	71.5
ROE %	33.9	27.9	16.1	20.8	23.2
ROCE %	26.9	17.0	14.4	18.2	20.2
PE(x)	92.0	44.3	43.1	27.7	19.9
EV/Sales (x)	25.6	7.4	6.3	5.1	4.1
EV/EBITDA (x)	67.6	31.9	31.9	19.8	13.7
Debt/Equity	0.0	0.0	0.0	0.0	0.0

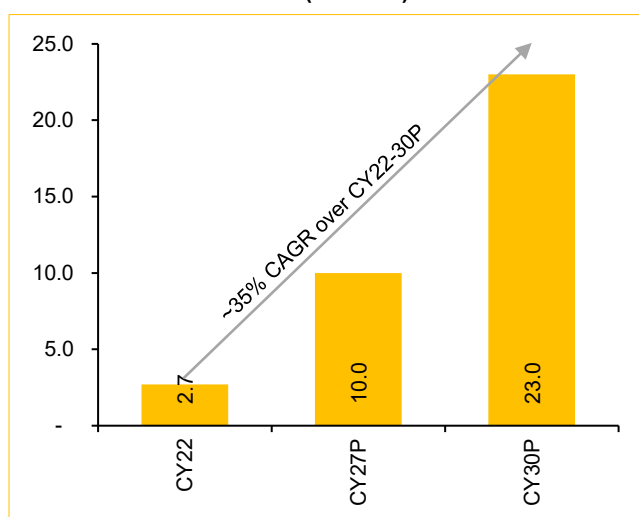
## Investment thesis in charts...

Global drone market size (USD Bn)



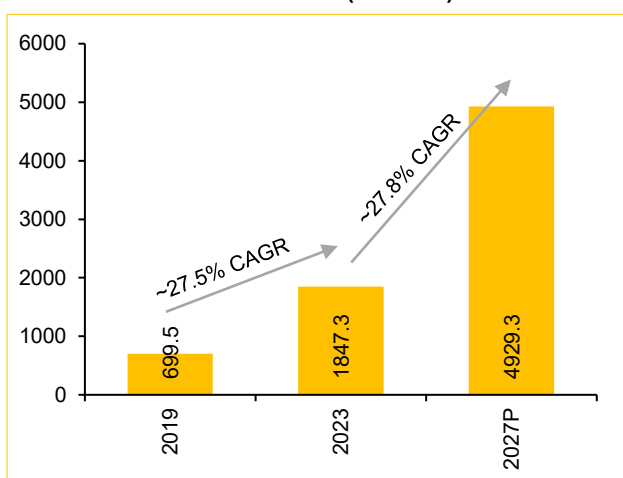
Source: Maple advisors &amp; Choice Institutional Equities

India's drone market size (USD Bn)



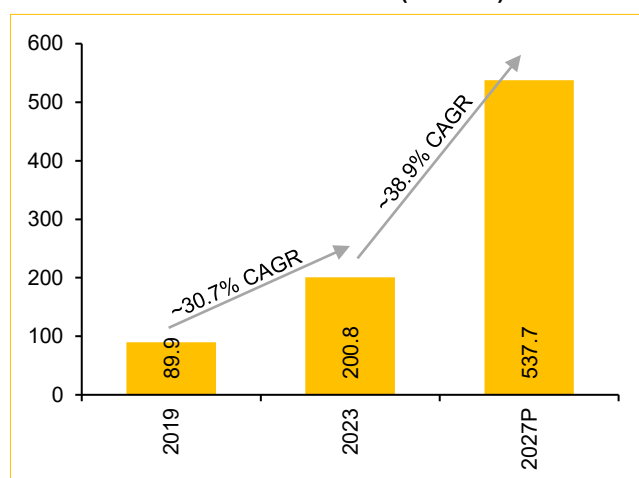
Source: Maple advisors &amp; Choice Institutional Equities

Global counter-drone market (USD Mn)



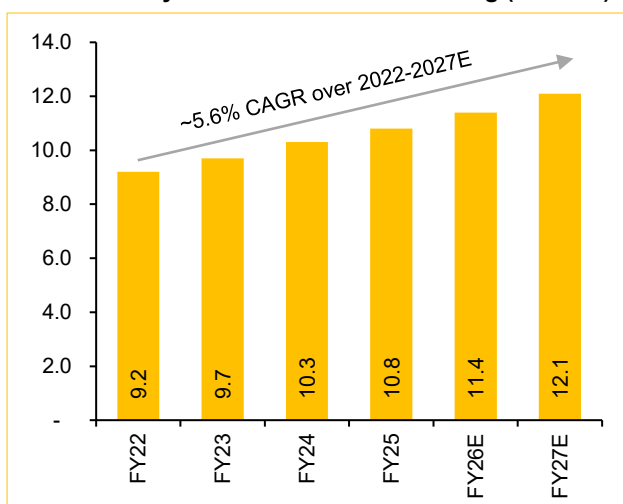
Source: Govt. of Gujarat &amp; Choice Institutional Equities

India's counter-drone market size (USD Bn)



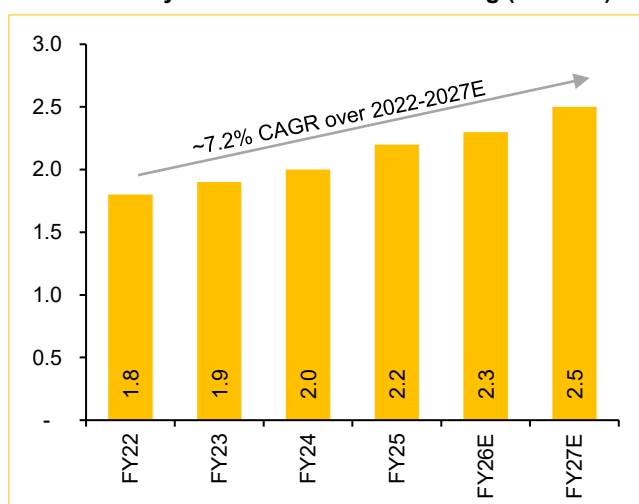
Source: Govt. of Gujarat &amp; Choice Institutional Equities

Global military simulation &amp; virtual training (USD Bn)



Source: Govt. of Gujarat &amp; Choice Institutional Equities

Indian military simulation &amp; virtual training (USD Bn)



Source: Govt. of Gujarat &amp; Choice Institutional Equities

## Report Structure

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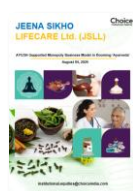
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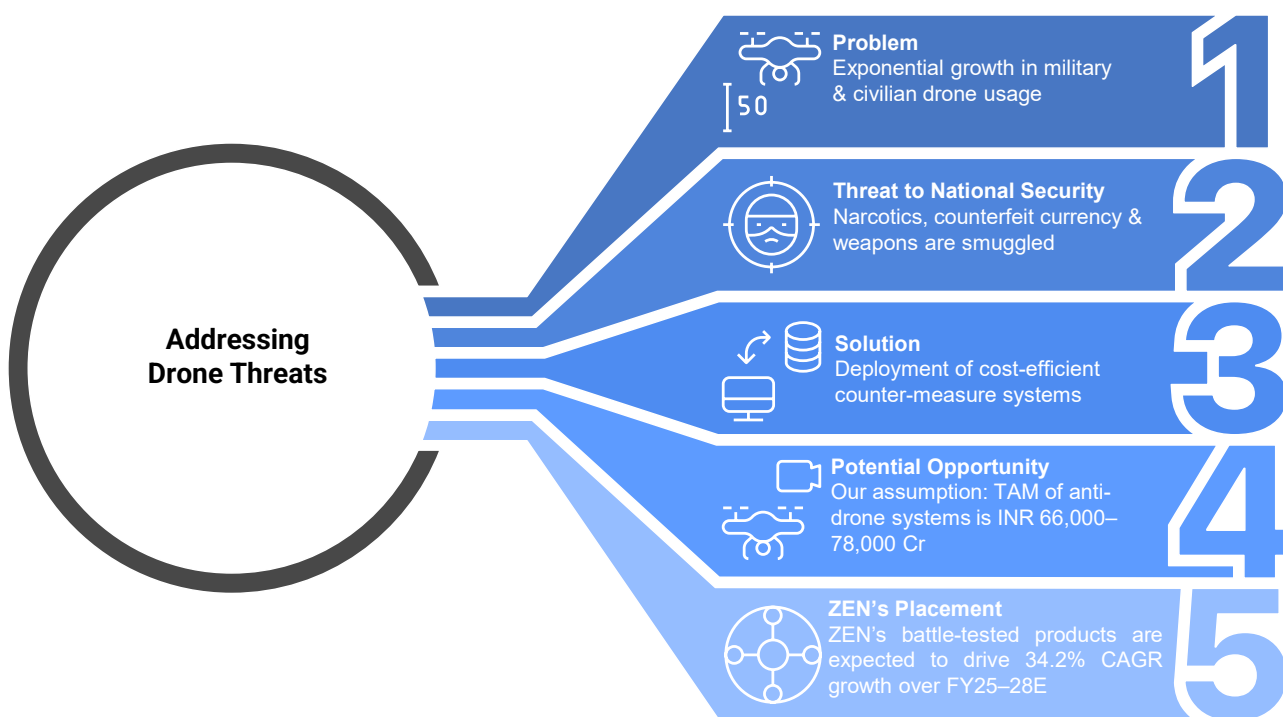
## 1. Investment Thesis

### 1.1 Sky wars are real – India needs 5,500–6,500+ anti-drone shields

#### 1.1.1 Drone warfare reshaping – Anti-drone systems now a structural necessity

We believe India's position as a nuclear triad nation has lowered the likelihood of conventional wars, but it has also pushed adversaries towards asymmetric tactics, particularly drone-led proxy warfare. Low-cost, high-impact drones are increasingly being used for surveillance, smuggling and targeted disruptions – a threat magnified by the rapid spread of civilian drone usage. Extensive drone use by the enemy was, for example, recently tackled by Operation Sindoor. Whereas, global conflicts, from Nagorno Karabakh to Eastern Europe, show how drones and autonomous systems are now the preferred first-strike weapon. India's strategic focus too has, therefore, shifted towards developing robust and scalable anti-drone capabilities.

We estimate the domestic drone market will expand at ~35% CAGR over FY22–30E, eventually aggravating security risk, while the anti-drone market is likely to grow faster, at ~38.9% CAGR over FY23–27E. India will need 5,500–6,500+ anti-drone systems to safeguard its critical assets, implying a market potential of INR 66,000–78,000 Cr. Traditional air defence is economically unviable against swarms of cheap drones, making counter-drone systems indispensable. This structural shift in modern air defence leads to a significant growth runway for domestic defence companies with deep R&D capabilities, such as ZEN. **We believe this is not a cyclical opportunity, but a structural shift, which opens up a long-term market.**



Source: Choice Institutional Equities



Threat from low-cost drones is propelling demand for anti-drone systems; opening up a major growth avenue

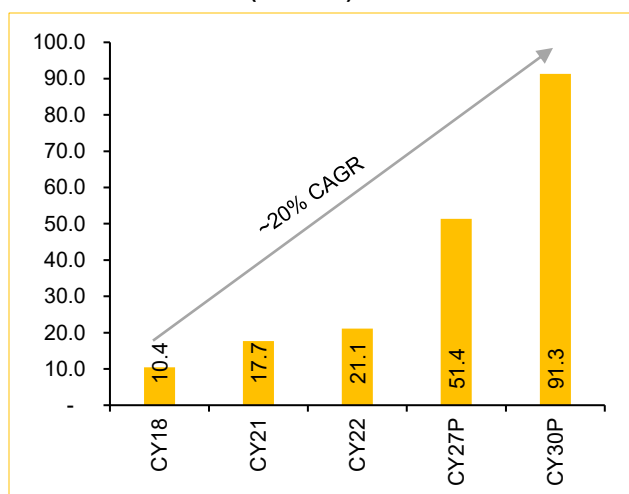
Easing of drone-related regulations poses a threat

Widespread civilian drone use is blurring the line between routine activity and potential threat

### 1.1.2 Rise in drone proliferation aggravates threats

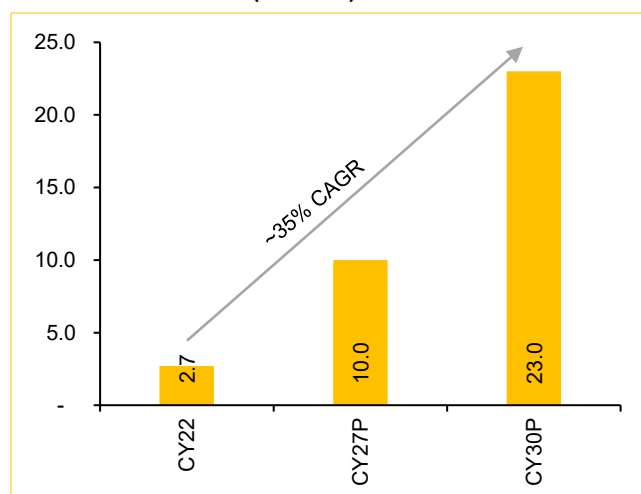
- ✓ Ease of drone regulations: India vs peers
- ✓ Drone market trends – domestically & globally
- ✓ Rise in threat – especially at borders
- ✓ **Ease of drone regulations: India vs peers**
  - India's favourable civilian drone regulations and licensing is accelerating deployment. This liberalisation also heightens security concerns.
  - So, we expect a structural uptick in demand for cost-efficient counter-drone solutions.
  - It creates a long-term opportunity for Indian companies.
- ✓ **Drone market trends – domestically & globally**
  - ❖ **Global drone market**
    - Global drone market may expand at a CAGR of ~20%, reaching USD ~91 Bn by CY30
    - Technological advancement, favourable regulations, low operational cost and eco-friendliness are key growth drivers
    - Drones were created for military but have now evolved for enterprise and civil usage
    - Also used for surveillance, mapping, inspection and delivery in big cities
  - ❖ **India's drone market**
    - India's drone market is projected to expand at ~35% CAGR over CY22–CY30P, reaching ~USD 23 Bn by CY30P, from USD 2.7 Bn in CY22
    - Expansion supported by favourable government policy, rise in industrial applications and push for local manufacturing

Global drone market (USD Bn)



Source: Maple Advisors & Choice Institutional Equities

India's drone market (USD Bn)



Source: Maple Advisors & Choice Institutional Equities

### ✓ Rise in threat – especially at borders

- Rise in drone incursions have redefined modern warfare. Drone interceptions skyrocketed, from just 22 in 2022 to over 700+ in 2025
- The 2021 drone attack on the Jammu IAF base exposed how traditional systems are ill-equipped
- ZEN stands at the cusp of a multi-year growth

Rise in drone attacks and border interceptions surged from 22 in 2022 to over 700+ in 2025

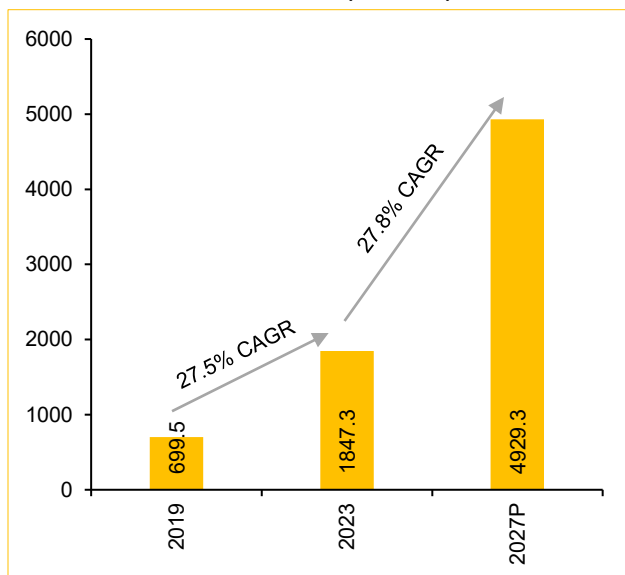
### 1.1.3 Cheap drones need cheaper killers — cost rules the sky wars

#### ✓ Cost-efficient counter-measures

- The global counter-drone market is projected to expand at a 27.8% CAGR over 2023–2027E, reaching USD 4.9 Bn by 2027E
- Increased drone threat within the country and across borders
- Shift in modern warfare makes drone misuse a security concern
- Traditional missile-based defence is cost-prohibitive
- India's counter-drone market is expected to expand at a CAGR of 38.9%, reaching USD 537.7 Mn by 2027E
- Regulations, defence preparedness and unauthorised incidents are spurring demand

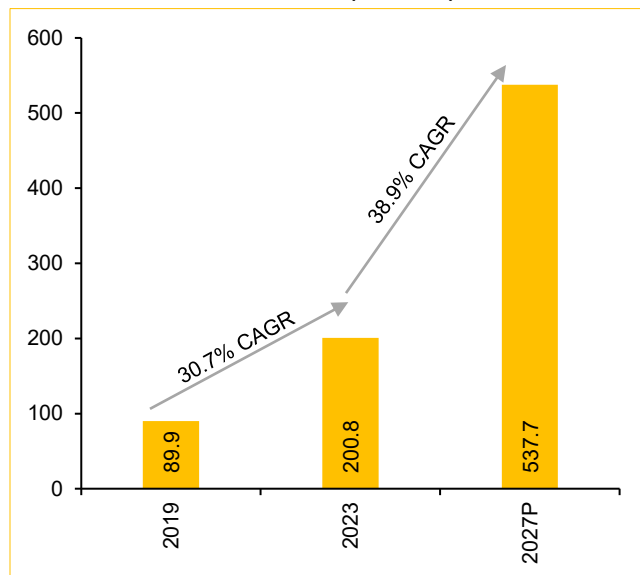
2021 drone attack on Jammu IAF base was a wake-up call for India's preparedness

Global counter-drone market (USD Mn)



Source: Govt. of Gujarat & Choice Institutional Equities

India's counter-drone market (USD Mn)



Source: Govt. of Gujarat & Choice Institutional Equities

Massive anti-drone systems required to secure our skies and strategic assets

AMC and replacement opportunity have not been considered while making our assumptions

1.1.4 INR 66,000–78,000 Cr market opportunity for India

- India needs a robust defence system to neutralise drone threats
- Threat from swarm drones presents a vital opportunity
- Our research suggests that India requires a comprehensive anti-drone mechanism; need for 5,500–6,500+ systems
- **Anti-drone systems a potential INR 66,000–78,000-cr opportunity**
- New equipment will ensure critical coverage across strategic assets

Our Assumptions includes:

Category	Estimated Sites	Systems per Site	Total Systems Required
VVIP Zones & Strategic HQs	50	2.0	100
State Capitals & Governors' Residences	60	2.0	120
High Courts & Judiciary Buildings	25	1.5	40
Embassies (Delhi + Consulates Nationwide)	150	1.5	225
Major Army, Navy, Air Force Installations	300	2.0	600
Defence R&D (DRDO, ISRO, BEL, BDL, etc.)	100	2.0	200
Nuclear Plants, Atomic Labs, Missiles	40	3.0	120
Airports (Civil + Defence Shared)	150	2.0	300
Seaports, Shipyards, Naval Docks	50	2.0	100
Oil Refineries, Terminals, Storage Depots	250	2.0	500
Strategic Rail Hubs, Military Corridors	200	1.5	300
Data Centres, CERT-In, NIC, NCIIPC, Banks	100	1.5	150
Border Posts (static) – Pak, LAC, NE	500	1.5	750
Border Surveillance Zones (mobile, deep)	—	—	500 (mobile)
Tactical Response / Event-based Units	—	—	750 (mobile/reserve)
Total	~2,025+ sites	—	~5,500–6,500 systems

Source: Choice Institutional Equities

System Type	Capabilities	Cost Range (INR/unit)
Entry-Level	Soft-kill (RF jamming)	8–60 Lac
Mid-Tier	Soft-kill + limited hard-kill	1.2–4.5 Cr
High-End	Integrated soft & hard kill	5–22 Cr
Large-Scale Deployments	Varies based on configuration	~5–7 Cr

Our assumptions based on historical + current market trends

- India's anti-drone system price depends on its capabilities, such as soft-kill and hard-kill
- Past contracts indicate average anti-drone unit cost to be INR 11–12 cr
- ZEN may emerge as a key beneficiary in the counter-drone business

Source: Choice Institutional Equities

Potential Market Size is INR 66,000–78,000 Crores



## 1. Investment Thesis

### 1.2 Training wars without bullets; simulators are invisible force multiplier

#### 1.2.1 Wars can't be scheduled – India must always be war-ready

Events in history and recent 'Operation Sindoor' prove that hostilities can erupt anytime. Today, India is expected to be war-ready, always. As India recalibrates its defence doctrine, simulator-based training is becoming an indispensable strategy.

The recent conflicts has made one truth clear: Legacy hardware without continuous training is dangerously ineffective.

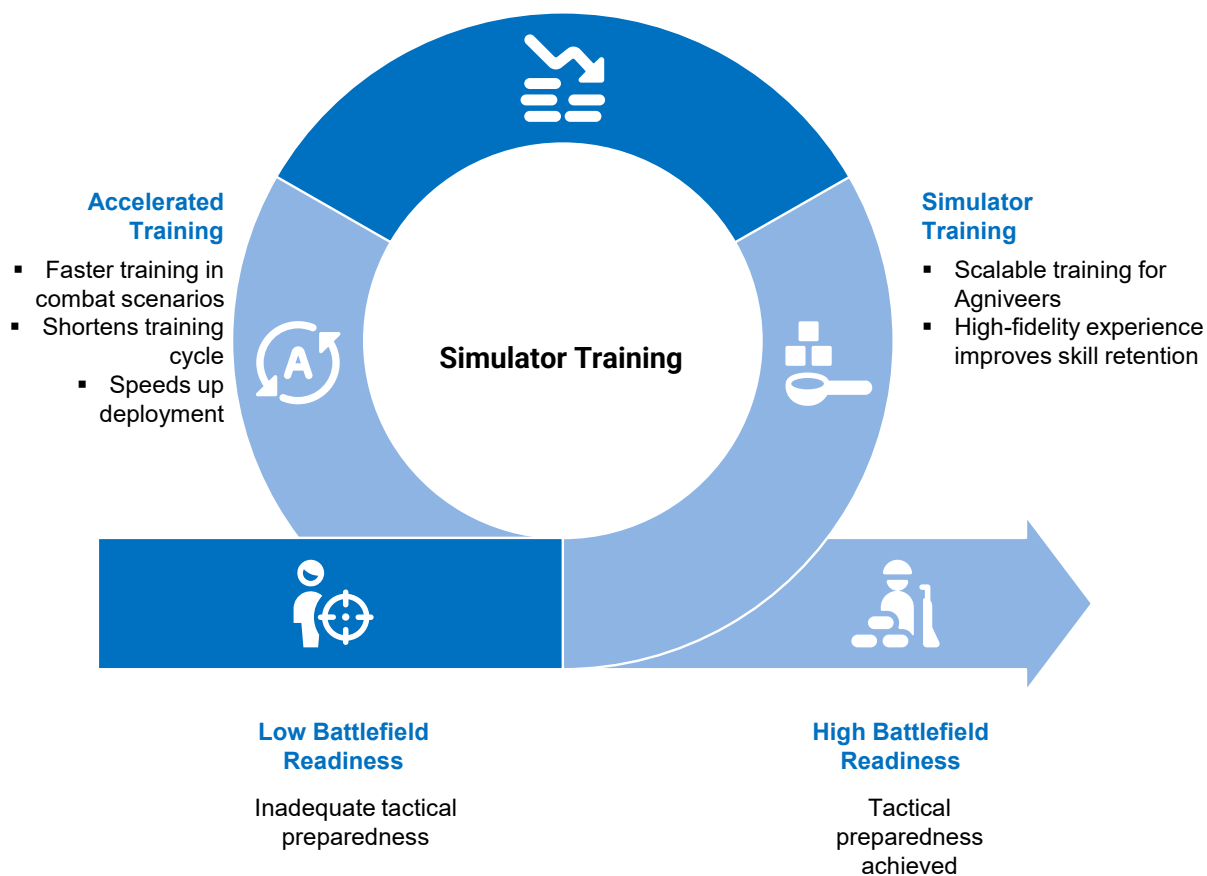
The shift towards cost-efficient combat-readiness has accelerated the adoption of simulator-based training. It accounts for ~80% training for a soldier; resulting in ~50% cost-saving and enhanced combat-readiness.

We believe ZEN, backed by its proprietary IP, would encash this opportunity. The global military simulation market is projected to reach USD 13.2 Bn by 2030 (6.1% CAGR) and India is expected to emerge as a key growth driver. Simulator adoption offers long-term and high-margin opportunity for ZEN.

#### Simulators Enhance Battlefield Readiness

##### Cost Reduction

- ~80% of soldier training on simulators
  - Reduces cost by 40–50%



Source: Choice Institutional Equities

Strong tailwinds from the Govt. for simulation training

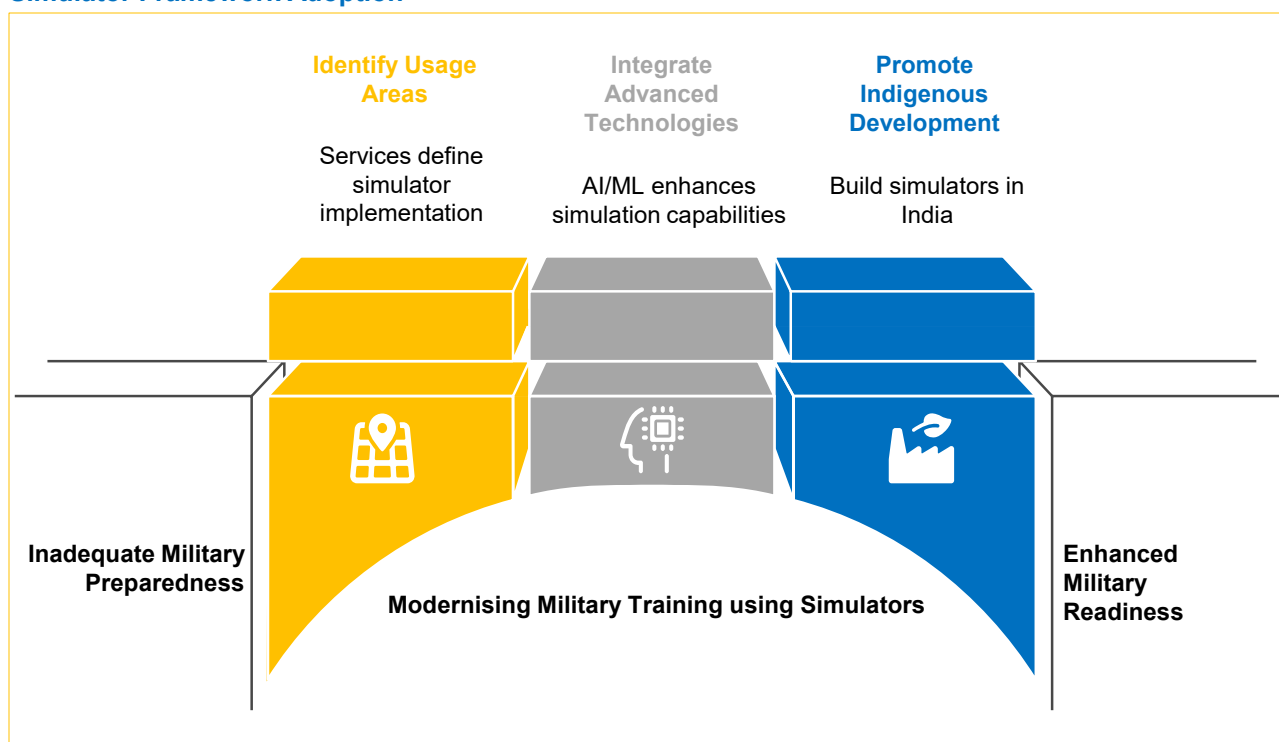
### 1.2.2 Agniveers train smart, not just hard – simulation is their new battlefield

- ✓ Framework for Simulators in Armed Forces 2021
- ✓ What drives simulators
- ✓ Analysis of ORF's 2022 assumptions

#### ✓ Framework for Simulators in Armed Forces 2021

- Simulation-based training has a cost-effective and strategic edge
- Reduces need for expensive live drills and supports multinational, remote collaboration
- Virtual and live simulation integration boosts realism and insight
- Simulation aids in optimising logistics and strengthening cyber-defence

### Simulator Framework Adoption



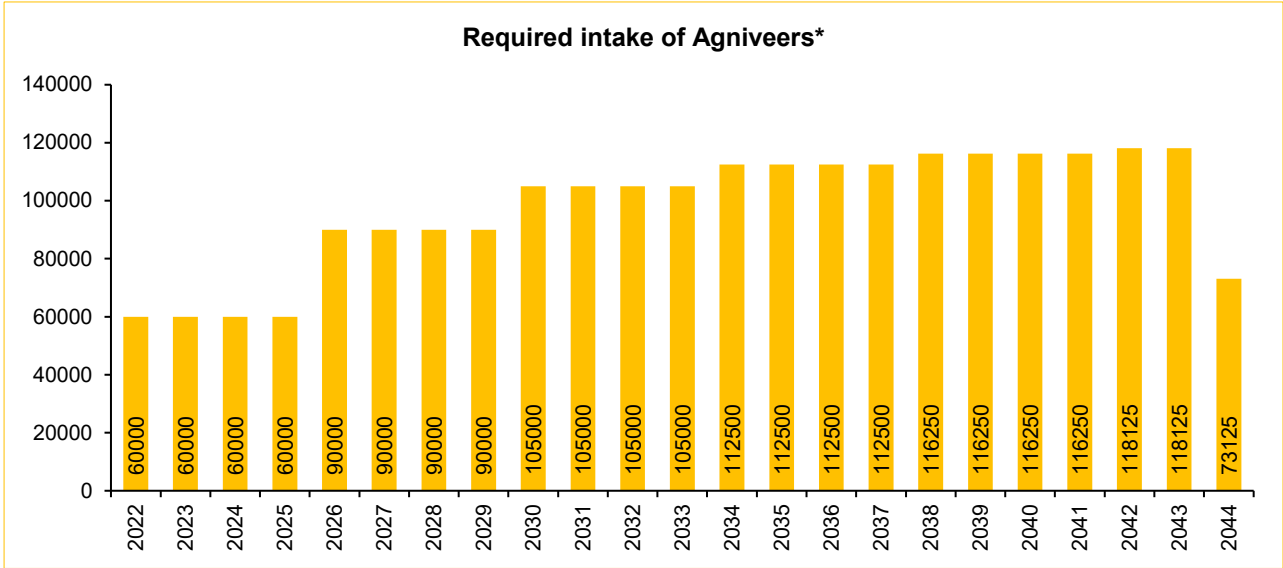
Source: ZEN, Choice Institutional Equities

#### ✓ What drives simulators?

- With Agniveer, India prioritised efficient training method to build a future-ready defence
- 80% of it is through high-fidelity simulators.
- It is cost-effective, minimises wear and tear on actual machinery
- Enables practice of complex battlefield scenarios, without the risk involved in live drills
- Reduces training cost by up to 40–50%
- Shortens training cycle significantly

80% of new soldier training conducted via simulators

- ✓ **Analysis of ORF's 2022 assumptions**
  - As per ORF's 2022 model, Agnipath scheme envisions a transformation of Other Ranks (OR)
  - Agniveers expected to constitute 50% of the OR strength by 2036
  - 25% of Agniveers to be absorbed. Ensures an agile force while reducing long-term welfare cost



Source: orfonline & Choice Institutional Equities

India: Simulation market worth USD 2.5 Bn by FY27

**1.2.3 India levels up – USD 2.5 Bn simulator play by 2027 – cost-efficient, safer training**

- ✓ Simulation-based training: A strategic and cost-effective evolution
- ✓ Defence simulator market potential

✓ **Simulation-based training: A strategic and cost-effective evolution**

Characteristic	Traditional Training	Simulator Training
Cost	High	Low
Equipment Wear	Significant	Minimal
Scalability	Limited	High
Repeatability	Difficult	Easy
Training Cycle	Slow	Fast
Tactical Preparedness	Moderate	High

Source: Choice Institutional Equities

✓ **Defence simulator market potential**

❖ **Global Military Simulation & Virtual Training Market (USD Bn)**

- Military simulation market expected to expand to USD12.1 Bn by FY27E

- Geopolitical tensions, need for cost-effective training and immersive tech adoption drive investments

- This training helps reduce operational cost, equipment wear-and-tear and risk to personnel

- Forces globally are shifting towards tech-led combat-readiness

❖ **India's military simulation & virtual training market (USD Bn)**

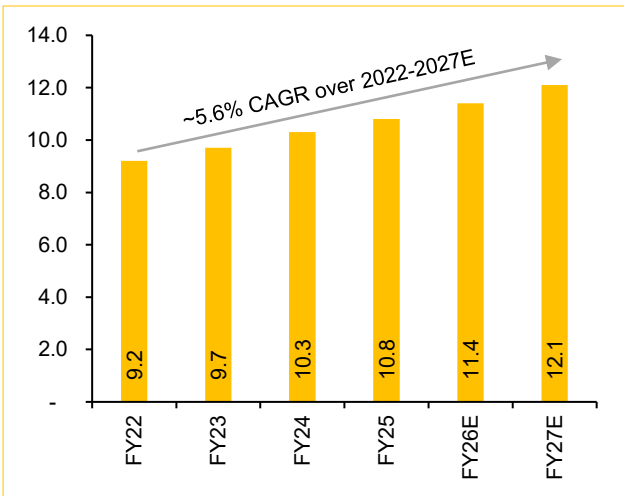
- India's market may expand to USD 2.5 Bn by FY27, a CAGR of 7.2%

- Growth is aided by Atmanirbhar Bharat, DRDO partnerships, increased budgets, etc.

- Potential for domestic players to collaborate with forces in building simulation systems

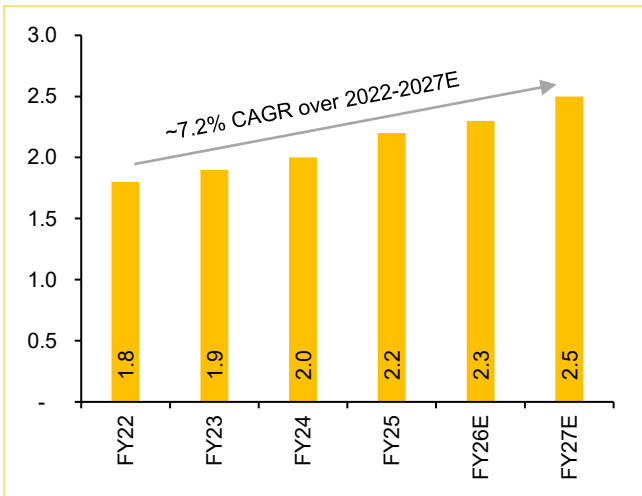
Rise in tension: Need for cost-effective training and adoption of immersive tech

**Global military simulation & virtual training market (USD Bn)**



Source: Govt. of Gujarat & Choice Institutional Equities

**Indian military simulation & virtual training market (USD Bn)**



Source: Govt. of Gujarat & Choice Institutional Equities

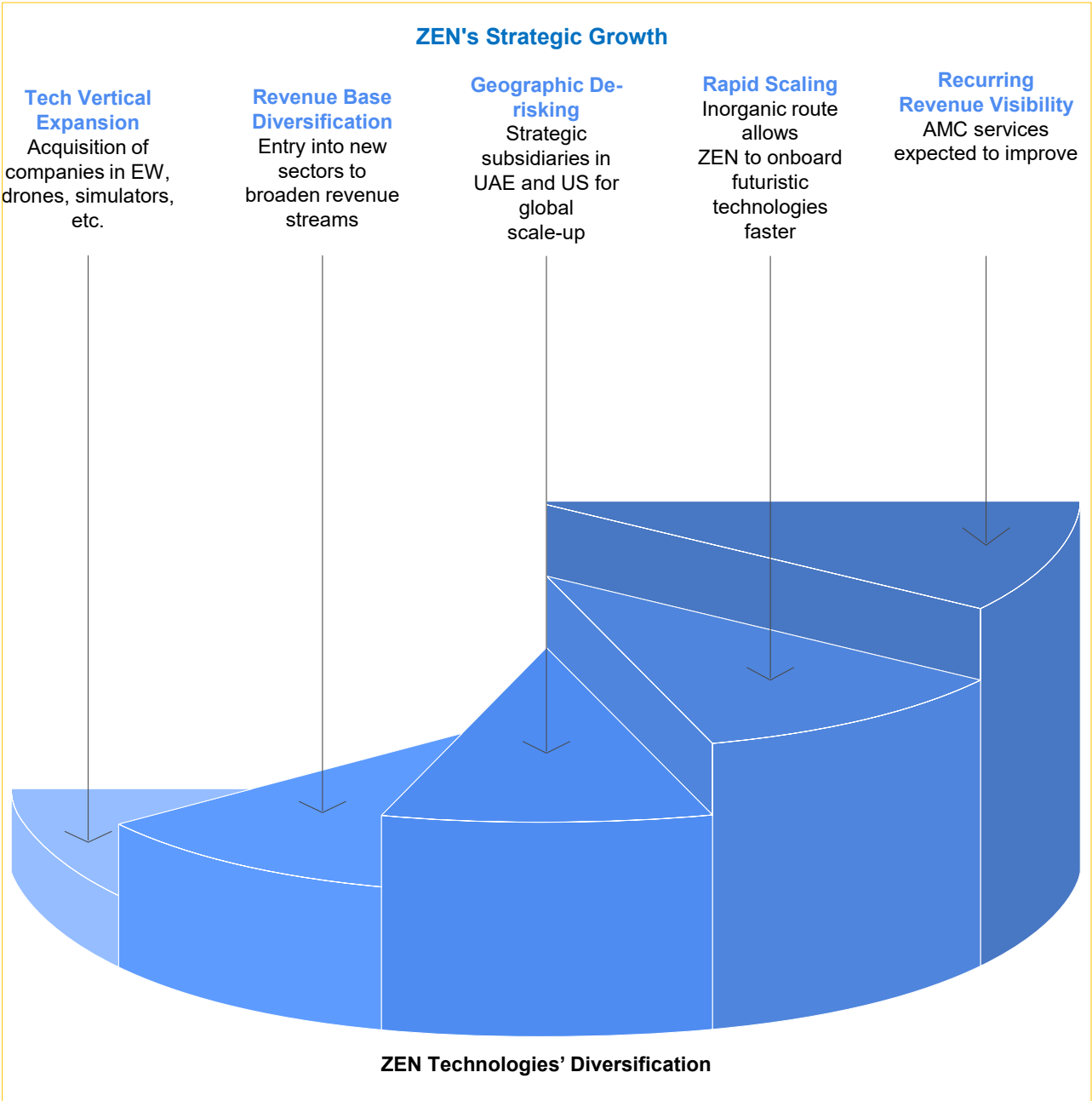
1. Investment Thesis

1.3 Strategic acquisitions fortify ZEN's evolution

**1.3.1 Selective buys expand ZEN's reach, from training to active battlefield deployment**  
We are seeing how ZEN is building one of India's most-ambitious, vertically-integrated, IP-led and future-ready defence-tech ecosystems. It is no longer just a simulator company. Its strategic acquisitions expand its capabilities across tri-service domains. Investments in UAV propulsion, autonomous robotics, EW systems & advanced optics indicate convergence into a full-stack platform spanning both, training & active battlefield deployment. **In our view, ZEN is not diversifying for scale; it's engineering long-term moats around modularity and system integration.**

ZEN's ecosystem-driven strategy supports India's indigenisation goals while enabling global access via its US and the UAE arms. With selective diversification and IP-led platforms, ZEN is building innovative products for both, domestic and export, markets.

We believe that ZEN is transitioning from a pure-play training & simulation provider to a vertically-integrated defence tech platform. The INR-1,300 Mn acquisition of both, ARIPL & ARI Labs, strengthens its position in naval simulation. Meanwhile, enhancing its IP depth, ZEN has taken a stake each in Bhairav Robotics & Vector Technics, which is targeting INR 1,000 Mn revenue in 2–3 years. This expands ZEN's TAM and strengthens its tech capability.



Source: ZEN & Choice Institutional Equities

### 1.3.2 Strategic inorganic diversification driving multi-domain expansion

Diversification strategy: A calculated bet

- ✓ Tech vertical expansion; Acquired companies span EW, drones, simulators and robotics
- ✓ Revenue base diversification; Entry into maritime sectors
- ✓ Rapid scaling; Inorganic route aids onboarding of futuristic tech faster
- ✓ Recurring revenue visibility; AMC services' revenue to improve
- ✓ Geographic de-risking; Strategic subsidiaries in the UAE and the US

Architecting India's first vertically-integrated def-tech platform

- ✓ **Tech vertical expansion**
  - ZEN transforming into full-spectrum defence tech firm by acquiring IP-rich firms
  - These include Unistring Tech Solutions, Vector Technics, AiTuring, Bhairav Robotics and ARIPL
  - **Each acquisition addresses a critical capability gap, allowing ZEN to build integrated products**
  - Integrated approach reduces innovation cycles and reinforces ZEN's technological moat
  - Positions ZEN as a one-stop platform for future-ready, multi-domain military systems

Reducing reliance on imported drone propulsion (UAV engines)

- ✓ **Revenue base diversification**
  - We believe ZEN is diversifying to mitigate lumpy defence order cycles for predictable revenue streams
  - ZEN's drone vertical lays groundwork for long-term tech-led diversification
  - ARIPL acquisition provides exposure to digital maritime platforms
- ✓ **Rapid scaling**
  - Buys are aligned with ZEN's core def-tech stack, enabling rapid capability expansion
  - Vector Technics adds UAV propulsion, synergistic with anti-drone systems and UAV platforms
  - AiTuring's tracking, optics enhance simulators & surveillance solutions
  - Bhairav Robotics supports shift towards autonomous defence platforms
  - Cross-sell synergies expected to improve tender win rates
  - Accelerates R&D scale-up through inorganic model

Source: ZEN & Choice Institutional Equities



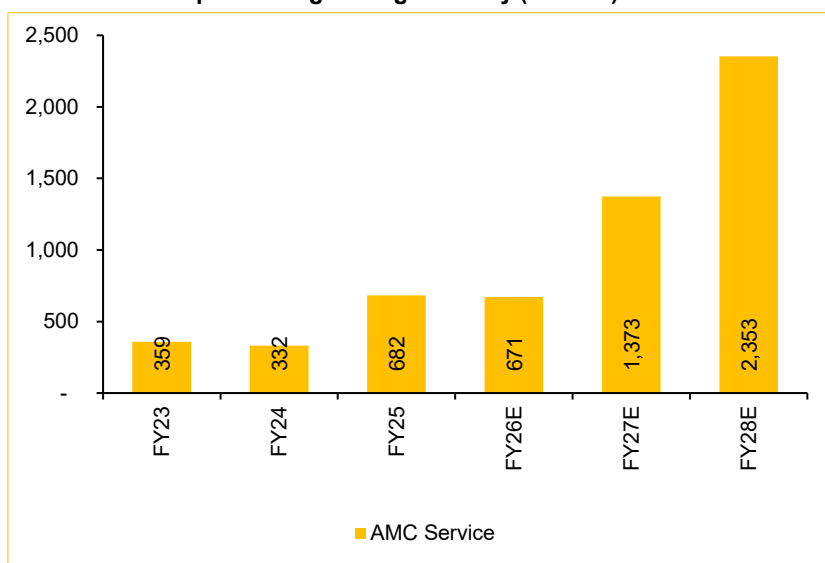
ZEN evolving into 'systems-level def-tech integrator,' aiming to become India's Palantir + Rafael

Explores swarm robotics for scalable, low-cost operations

✓ **Recurring revenue visibility**

- ZEN shifting towards a recurring revenue model via AMC's & training
- US & UAE subsidiaries to help serve global clients
- AMC revenues yield ~80% EBITDAM, offering significant profitability leverage
- Scaling up exports of simulators, counter-drone and robotics platforms

**AMC revenue expected to grow significantly (INR Mn)**



Source: ZEN & Choice Institutional Equities

✓ **Geographic de-risking**

- ✓ Strategic entry into global markets through US & UAE subsidiaries
- ✓ Facilitates potential access to NATO and Gulf contracts

- Geographic diversification to tap global defence budgets
- Expansion via the US & UAE subsidiaries to access high-growth defence markets
- US enhances NATO contract eligibility, while the UAE strengthens presence in the Middle East and Africa region
- Reduces dependence on India-centric orders

## 1. Investment Thesis

### 1.4 Exports take flight – powered by diplomacy, trust and proven tech

#### 1.4.1 India's neutrality opens global doors for defence exports

We believe India has a unique position, maintaining diplomatic ties with both, the US and Russia. This neutrality, combined with growing trust in Indian equipment, especially after "Operation Sindoor," is encouraging countries to look away from their traditional suppliers. The government set an ambitious target of INR 50,000 Cr defence exports by FY29.

ZEN, a direct beneficiary, has seen international expansion via ZEN USA (access to FMS/NATO), a UAE JV focused on anti-drone demand in the Gulf nations.

ZEN's affordable and interoperable solutions are particularly suited for cost-sensitive markets in Africa, Southeast Asia and Latin America. With G2G frameworks gaining significance, coupled with global RFP momentum, **we expect ZEN's export contribution to rise, from <5% to 20–25% by FY27E.**

#### ZEN's Export Strategy

##### Government Push for Global Hub

India aims to be a global defence hub

##### Establishment of ZEN USA

ZEN USA opens access to US FMS program and easy access to NATO countries

##### Acquisition of Vector Stake

Strengthens its IP portfolio and global credibility

##### Use of Defence Diplomacy

India uses military cooperation to build ties & grow its soft power



##### Expansion into New Markets

ZEN expands into Middle East, Africa, CIS, ASEAN

##### UAE Joint Venture

ZEN JV taps into Gulf nations for anti-drone needs

##### Alignment with Export Target

ZEN aligns with India's INR 50,000 Cr export goal by FY29

##### Projected Export Revenue Increase

ZEN's export revenue to rise to 20–25% by FY27E

Source: ZEN & Choice Institutional Equities

Leveraging India's growing defence diplomacy to expand in Middle East, Africa, ASEAN and CIS nations

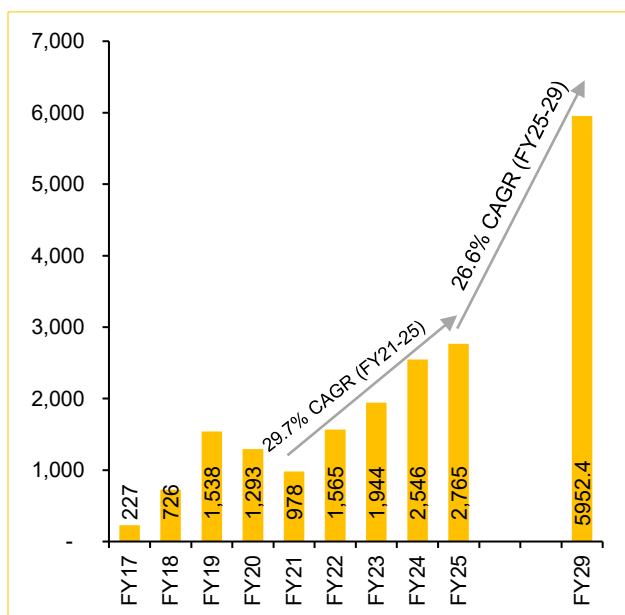
Established a subsidiary in the US to access FMS/NATO programs and formed a JV in the UAE

#### 1.4.2 Export Expansion: Defence Diplomacy and Global Demand

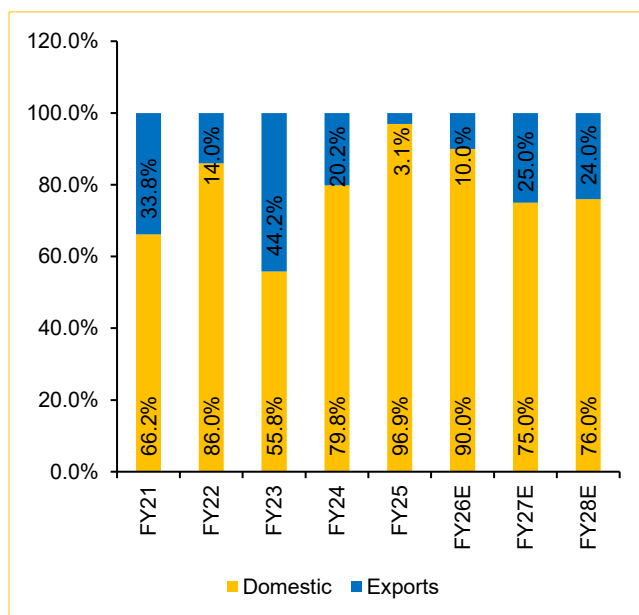
- Strategically leveraging India's growing defence diplomacy to expand its footprint across the Middle East, Africa, ASEAN and CIS nations which actively seek affordable tech
- Export contribution, <5% of ZEN's revenue at present, is projected to scale up to 20–25% by FY27E
- India makes aggressive push towards INR 50,000 Cr defence exports by FY29
- ZEN established a subsidiary in the US (ZEN USA) to access FMS/NATO programs and formed a JV in the UAE
- ZEN's systems were battle-tested, reinforcing global trust in its solutions
- Acquisition of stake in Vector Technics boosted ZEN's IP portfolio
- ZEN is well-placed to benefit from India's balanced position, especially among non-aligned countries seeking alternatives
- **Early export traction is visible. Management commentary and ongoing dialogue indicate increasing likelihood of near-to-medium term order wins**

Indian defence exports to reach INR 5,000 Mn by 2029

ZEN's exports to reach 24% by FY28E



Source: ZEN & Choice Institutional Equities



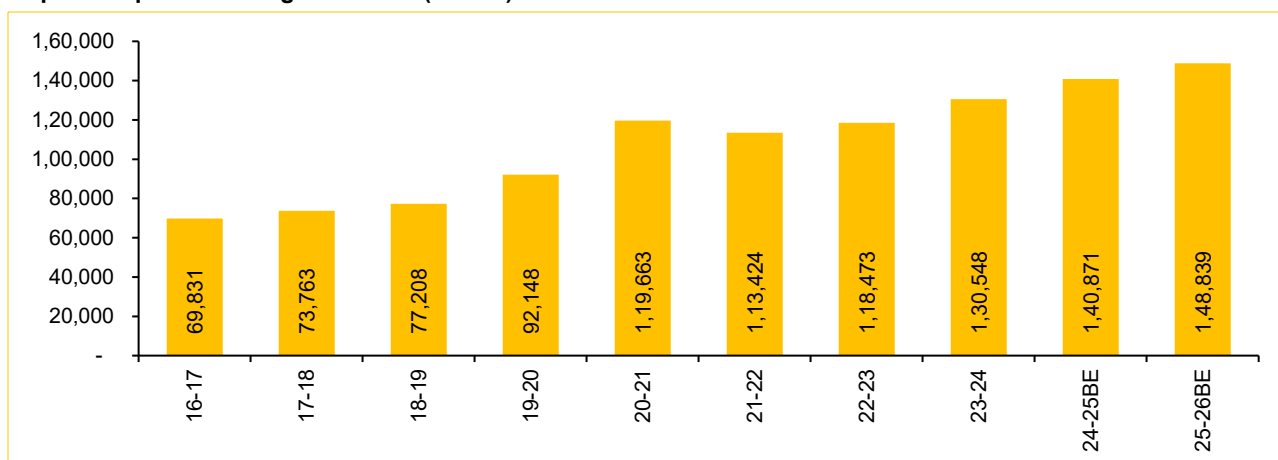
Source: ZEN & Choice Institutional Equities

## 2. Industry Overview

### 2.1.1 Strong tailwinds from government

- ✓ **Rise in capital allocation and domestic procurement**
  - Capital outlay on defence services for FY26 BE is INR 180,000 Cr, marking a 4.65% YoY increase
  - Capital acquisition budget has more than doubled to INR 148,839 Cr (~82.6%) in FY26 BE, i.e., CAGR of ~7.8% over nine years
  - Key line items include Aircraft & Aero Engines, Heavy/Medium Vehicles, Rolling Stock, Naval Fleet, Dockyards and Joint Staff allocation

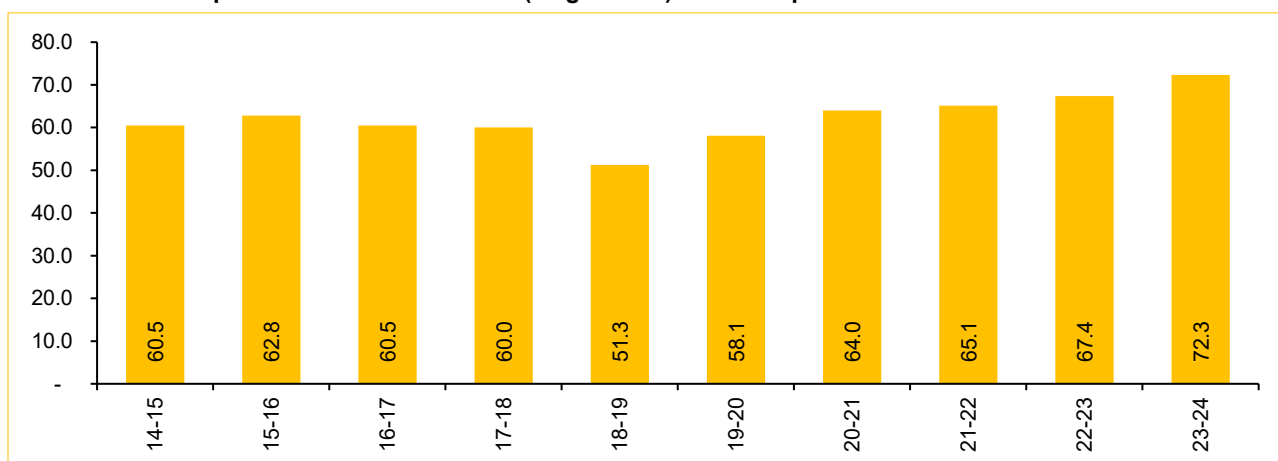
#### Capital Acquisition Budget 2016–26 (INR Cr)



Source: idsa.in & Choice Institutional Equities

- Share of domestic capital procurement has risen. It's on an uptrend, from 60.5% in FY15 to a high of 72.3% in FY25
- Introduction of domestic sourcing mandates from FY21 led to acceleration in indigenisation, from 58.1% in FY20 to 72.3% in FY25
- 75% of FY25 and FY26 capital outlay has been earmarked for domestic sourcing.
- This upward trajectory, **we believe, may continue, offering multi-year revenue visibility for Indian manufacturers**

#### MoD Domestic Capital Procurement 2014–24 (%age share) is on an upward trend

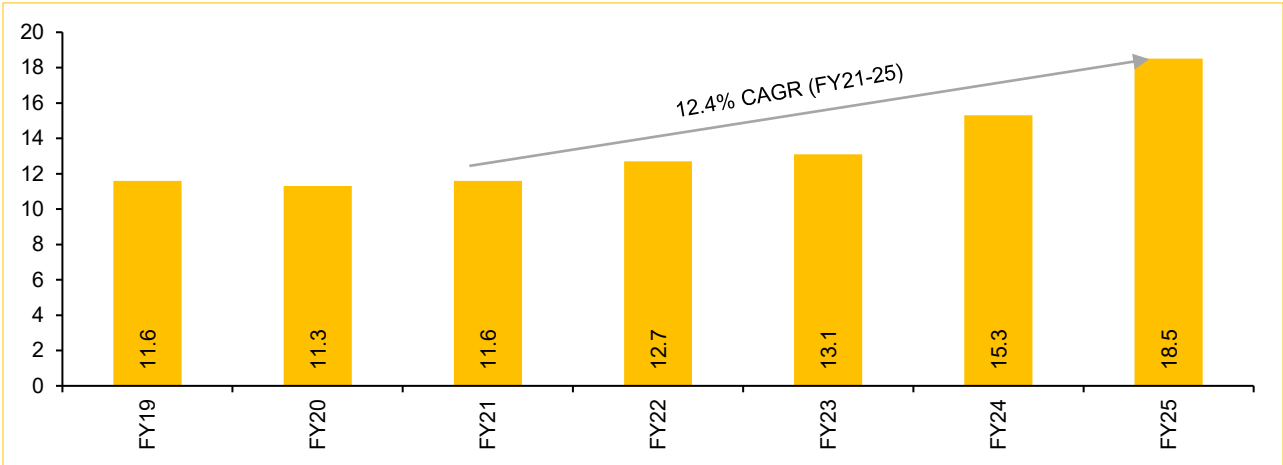


Source: idsa.in & Choice Institutional Equities

✓ **Rise in defence production**

- India has achieved the highest-ever growth in defence production in FY25, driven by government policies
- Production value has surged to a record high of USD 18.5 Bn, marking an impressive increase from USD 11.6 Bn in FY21.
- We believe, by FY29, India's defence production will be to the tune of INR 300 Bn

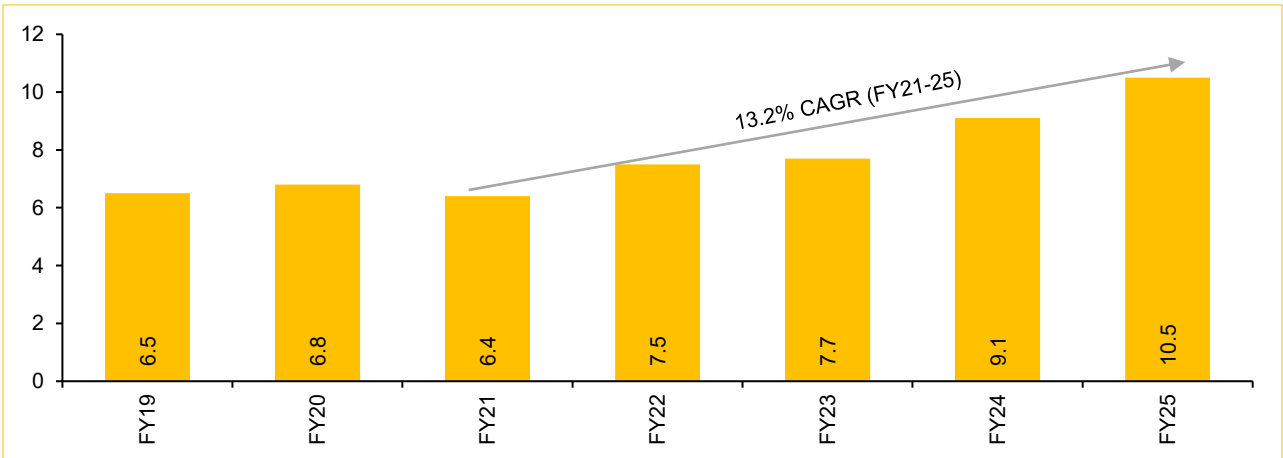
**Indian Defence Production (USD Bn)**



Source: ibef.org & Choice Institutional Equities

- 65% of defence equipment is manufactured domestically, a significant shift from the earlier 65–70% imports
- Private sector plays a crucial role, contributing 21% to defence production
- Defence manufacturing FDI raised, from 49% to 74%, attracting global players

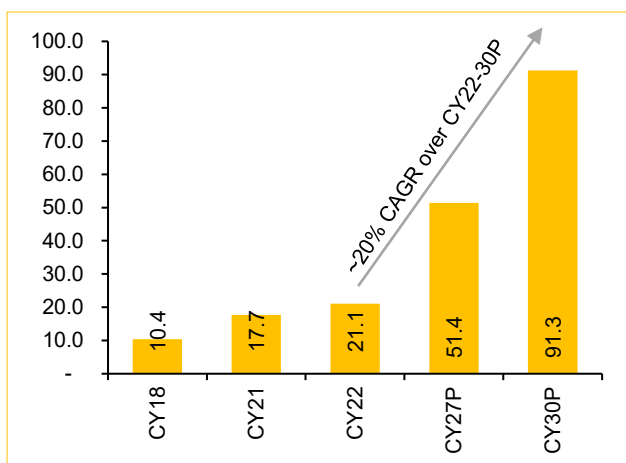
**Value of Production, by Defence PSUs (USD Bn)**



Source: ibef.org & Choice Institutional Equities

## 2.1.2 Training &amp; simulation market trends in India and abroad

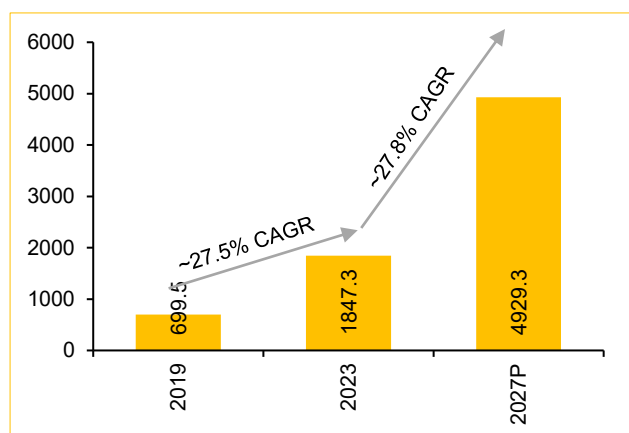
## Global drone market size (USD Bn)



- The global drone market is poised to expand at ~20% CAGR, reaching USD ~91 Bn by CY30
- This is driven by rapid tech advancements, supportive regulations and low operating costs
- Drones serve diverse applications, ranging from surveillance and mapping to inspection and delivery

Source: Maple Advisors &amp; Choice Institutional Equities

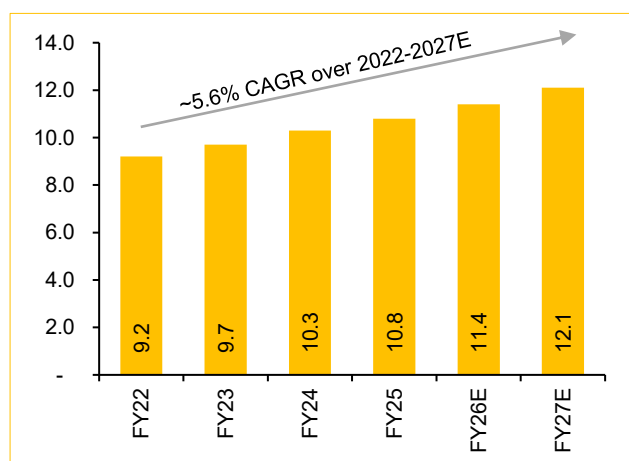
## Global counter-drone market (USD Mn)



- The global counter-drone market is expected to expand at a 27.8% CAGR, reaching USD 4.9 Bn by 2027E
- As modern warfare evolves, cost-effective counter-drone solutions are gaining traction

Source: Govt. of Gujarat &amp; Choice Institutional Equities

## Global military simulation &amp; virtual training (USD Bn)

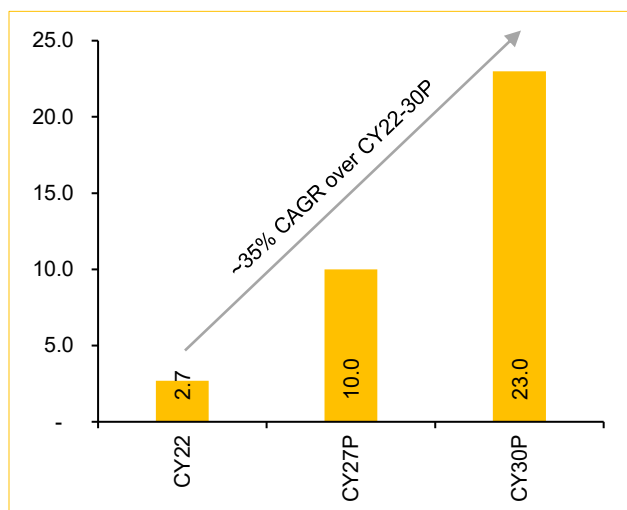


- The global military simulation and virtual training market is set to grow, from USD 9.2 Bn in FY22 to USD 12.1 Bn by FY27E
- It will be propelled by a rise in geopolitical tensions, defence budgets and immersive tech adoption
- Armed forces prioritise cost-effective, risk-free combat readiness via simulation

Source: Govt. of Gujarat &amp; Choice Institutional Equities



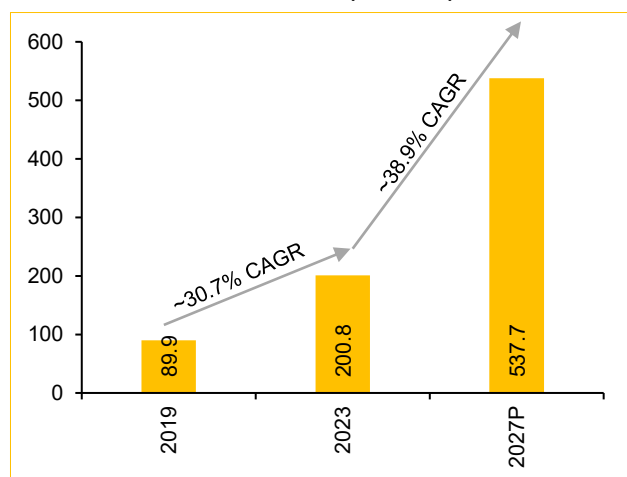
### India's drone market size (USD Bn)



- India's drone market is set to expand at ~35% CAGR, reaching USD ~23 Bn by CY30P from USD 2.7 Bn in CY22
- "Make-II" initiative will accelerate demand for drones, integrated surveillance and loitering munitions

Source: Maple Advisors & Choice Institutional Equities

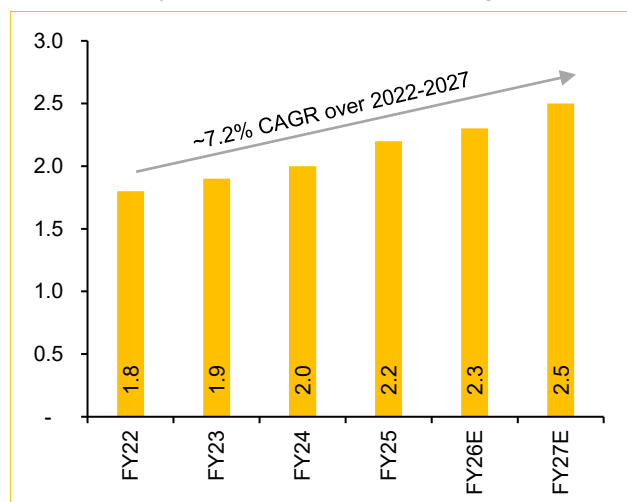
### India's counter-drone market (USD Mn)



- India's counter-drone market is projected to expand at a 38.9% CAGR, reaching USD 537.7 Mn by 2027E
- The growth will be driven by rise in rogue drone threats and evolving warfare tactics

Source: Govt. of Gujarat & Choice Institutional Equities

### Indian military simulation & virtual training (USD Bn)



- India's military simulation and virtual training market is projected to expand from USD 1.8 Bn in FY22 to USD 2.5 Bn by FY27 (7.2% CAGR)
- With global forces embracing tech-led, cost-effective combat training, domestic players have significant opportunity to develop immersive simulation systems

Source: Govt. of Gujarat & Choice Institutional Equities

## 3. Valuation Metrics

## 3.1 Relative Analysis

## Financial Metrics

	ZEN Tech	HAL	BEL	BDL	Astra Micro	Apollo Micro	Data Patterns
FY25 Revenue (INR Cr)	9,736	3,09,810	2,37,688	33,451	10,512	5,621	7,084
FY25 EBITDA (INR Cr)	3,735	96,081	68,337	4,724	2,690	1,292	2,750
FY25 PAT (INR Cr)	2,993	83,641	53,227	5,496	1,535	564	2,218
Revenue CAGR (FY25–28E)	34.20%	11.20%	19.30%	39.40%	21.80%	44.90%	23.30%
EBITDA CAGR (FY25–28E)	31.50%	12.80%	21.30%	68.60%	22.30%	48.00%	23.50%
PAT CAGR (FY25–28E)	29.20%	10.80%	23.30%	59.90%	26.20%	62.00%	24.00%
FY25 EBITDA Margin	38.40%	31.00%	28.80%	23.00%	25.60%	23.00%	38.80%
FY25 PAT Margin %	30.70%	27.00%	21.70%	14.90%	14.60%	10.00%	31.30%
FY25 EPS (INR)	32.07	134.8	7.3	15.0	16.2	1.9	39.6
FY25 ROE	27.9	26.1	29.3	13.7	12.5	10.0	15.7
FY25 ROCE	17.0	25.8	35.6	7.4	14.1	16.2	18

Source: ZEN &amp; Choice Institutional Equities

## Valuation Metrics

Companies	CMP	Mcap (in Cr)	FY25 PE	FY26E PE	FY27E PE	FY28E PE	EPS CAGR FY25-28(%)	PEG Ratio
ZEN Technologies	1,421	12,826	44.3	43.1	27.7	19.9	30.6	1.45
Hindustan Aeronautics	4,468	2,98,819	35.2	32.6	29.2	25.9	10.9	3.23
Bharat Electronics	372	2,71,886	52.9	44.0	34.2	28.2	23.3	2.27
Bharat Dynamics	1,530	56,053	99.0	45.6	29.1	24.2	59.9	1.65
Astra Microwave	994	9,443	62.3	48.9	38.4	31.0	26.2	2.38
Apollo Micro Systems	203	6,763	92.5	63.0	41.0	27.1	50.5	1.83
Data Patterns	2,560	14,451	61.6	49.0	38.9	32.3	24.0	2.57

Source: ZEN &amp; Choice Institutional Equities

\*Our initiation on Zen Technologies is anchored in its attractive PEG ratio of 1.45x, well below the sector average of ~2.2x. While peers are not direct product competitors, they represent, players across the broader defense value chain.

## 4. Investment View

ZEN is not selling "me-too" hardware. It's building proprietary tech

AI, robotics and optronics can serve both, defence and civil markets

We recommend '**BUY**' on ZEN Tech with a Price Target of **INR 2,150**, an upside of **51.0%** based on PE valuation method

### 4.1 Key Concerns:

- Volatility in order inflow remains a major concern despite strong industry tailwinds, negatively impacting revenue visibility
- Execution delays in current and future contracts could materially affect financial performance
- Low order book coverage limits medium-term earnings' predictability
- High dependence on government orders
- Large share of revenue derived from defence institutions
- Inorganic expansion risk, as success depends on timely integration and scale-up of acquired platforms

### 4.2 Key Insights from Management Meeting:

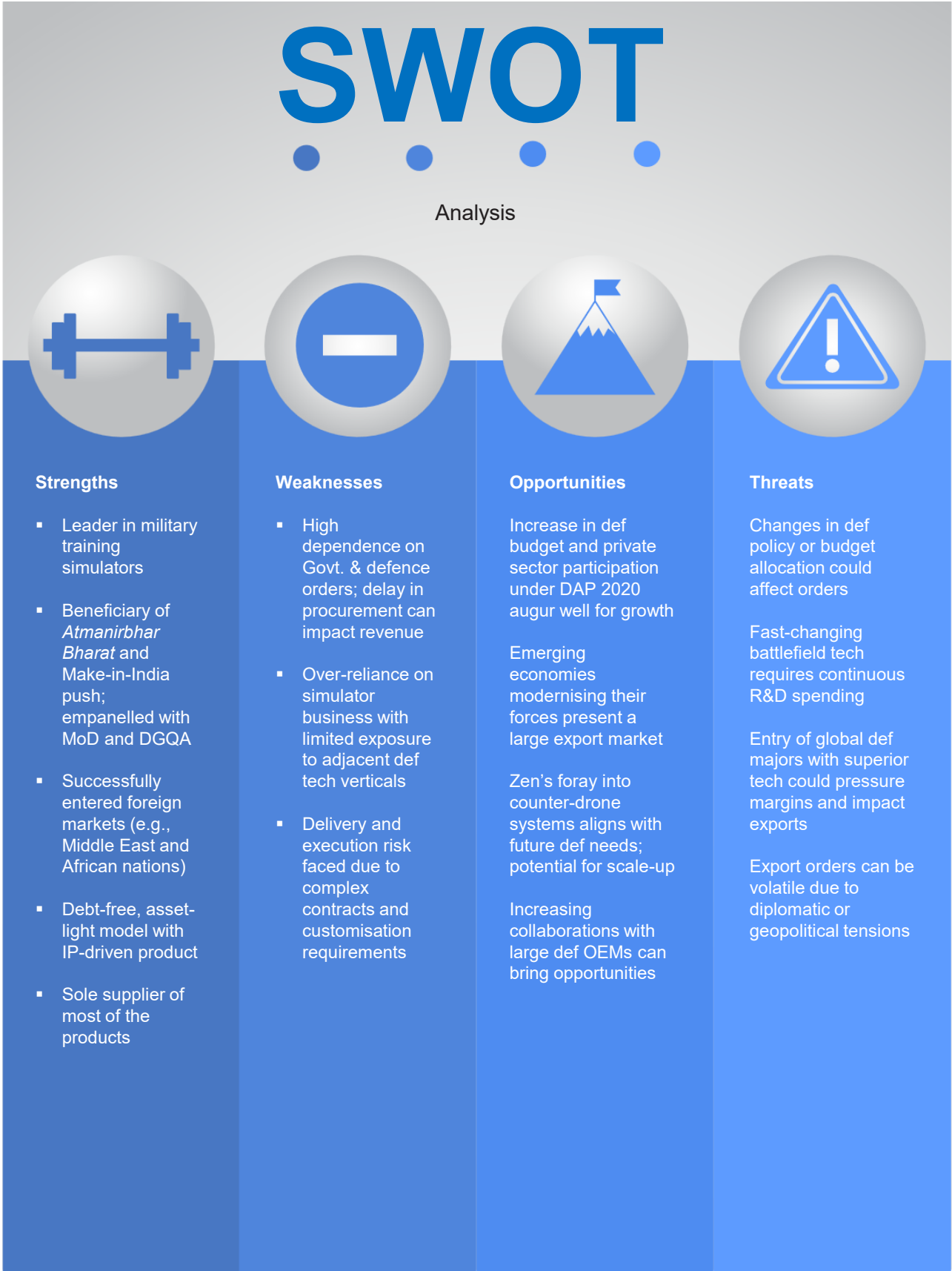
- Opportunities totally worth INR 25,000 Cr in the simulator business and worth INR 10,000 Cr in anti-drone systems market in the next 5 years
- Current order book is worth INR 754 Cr and new orders worth INR 650 Cr expected by next month; talks in advanced stage
- Anti-drone segment to become a key revenue driver; anticipated to contribute 40–50% of simulator revenues in coming years
- Export order book stands at INR 100 Cr; more deals expected from Africa, Middle East, Southeast Asia and CIS nations
- Subsidiary ARI will drive the US and South America sales; export momentum expected to pick up meaningfully by FY27
- Targeting NATO countries owing to rising interest in simulators and counter-drone systems after Ukraine conflict
- Subsidiary Vector Technics supports indigenisation of drone components and aims to serve the US/EU markets
- Acquisition of TISA for loitering munitions (kamikaze drones) now in advanced R&D; full demo to be ready by FY27
- FY26 to remain muted, but strong growth expected in FY27–28E, aiming for INR 6,000 Cr cumulative revenue with 25% PATM and 35% EBITDAM over FY26–28E
- Capex for FY26 to remain modest at INR 40–50 Cr.

### 4.3 Investment View:

We initiate coverage on ZEN, a rare defence-tech player, which is expanding into futuristic weapon platform. The company's current order book stands at INR 7,545 Mn (i.e. 0.77x of FY25 revenue). We expect it to deliver Revenue /EBITDA/PAT CAGR of 34.2%/31.5%/29.2% over FY25–28E. We assign a '**BUY**' rating with a target price of INR 2,150, implying 51.0% upside, valuing the company at 35x PE on an average FY27–28E EPS of INR 61.4; implying industry low PEG ratio of 1.45. We have used DCF for sanity check, which implies fair value of INR 2,125.

5. Competition Analysis

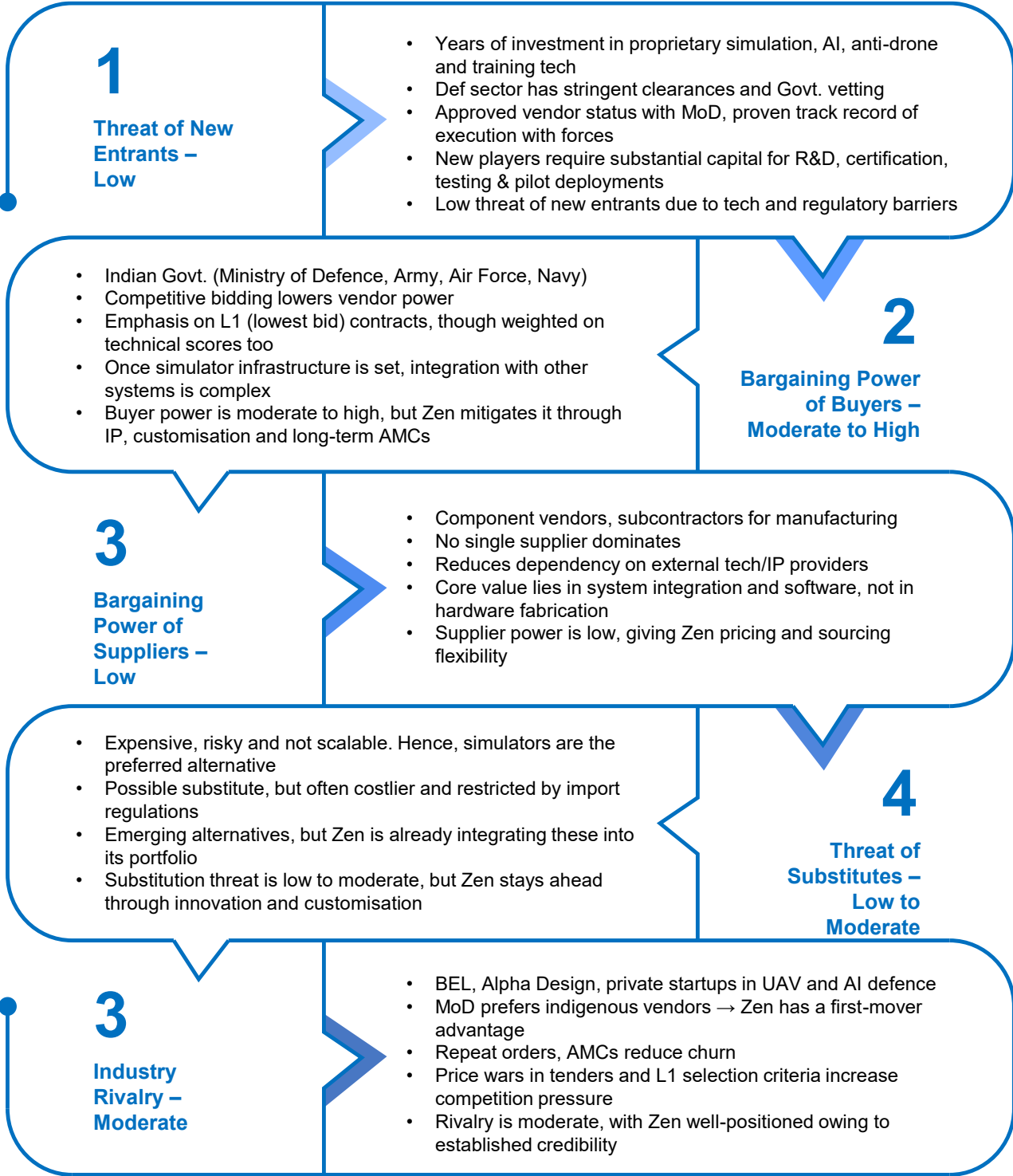
5.1 SWOT Analysis



Source: ZEN & Choice Institutional Equities

5.2 Porter's 5 Forces Analysis

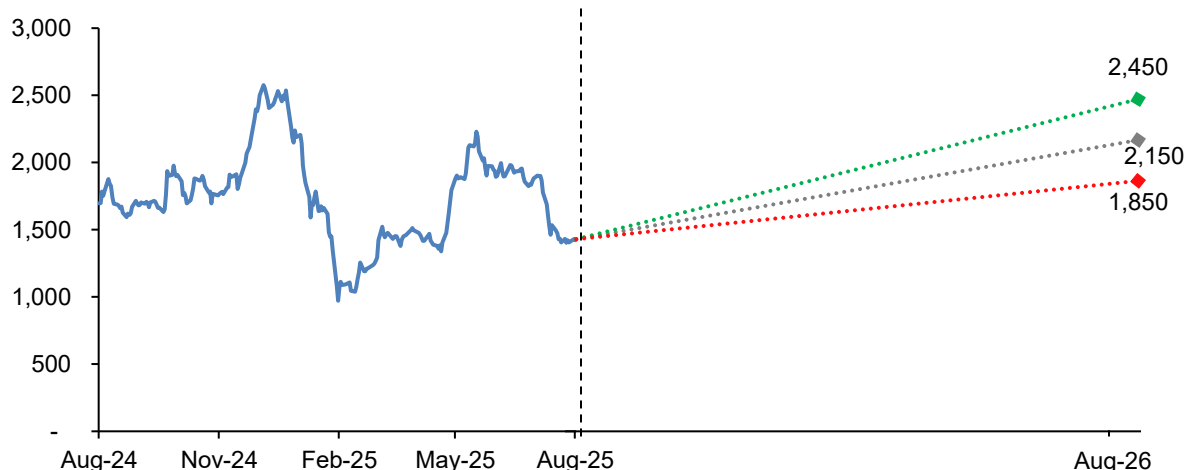
Porter's 5 Forces Analysis



Source: ZEN & Choice Institutional Equities

## 6. Financial Analysis

## 6.1 Bull/Bear: Analysis



**INR 2,450**  
**72% Upside**

**BULL Assumptions**

- Multiple export orders materialise across Middle East, ASEAN and Africa, CIS countries
- Counter-drone systems see wide adoption and rise in global tenders
- Domestic capex for simulators and surveillance solutions continues growing
- EBITDA margin expands on better mix (IP-led sales, exports) and lower fixed operational expenditure
- Investor sentiment remains high owing to platform scalability and defence premium



**INR 2,150**  
**51% Upside**

**BASE Assumptions**

- Exports scale moderate, aided by UAE JV and ZEN USA
- Core domestic orders continue from MoD
- Management expects order inflow (~INR 1,800–2,000 Cr visibility by FY27E)
- Stock retains moderate premium on earnings



**INR 1,850**  
**30% Upside**

**BEAR Assumptions**

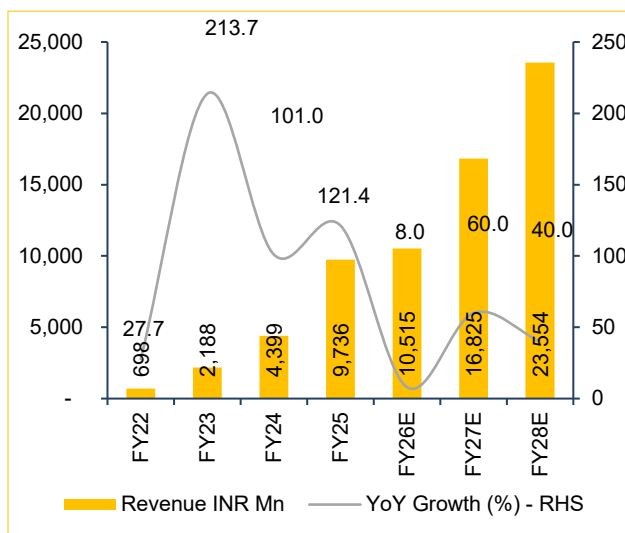
- Export push faces delays or cancellations due to geopolitical issues or pricing barriers
- Domestic order flow turns lumpy, procurement deferrals hurt near-term revenue
- Margin compression due to cost inflation or under-absorption of fixed costs
- Market re-rates its stock multiples amid lower growth visibility

Source: ZEN & Choice Institutional Equities



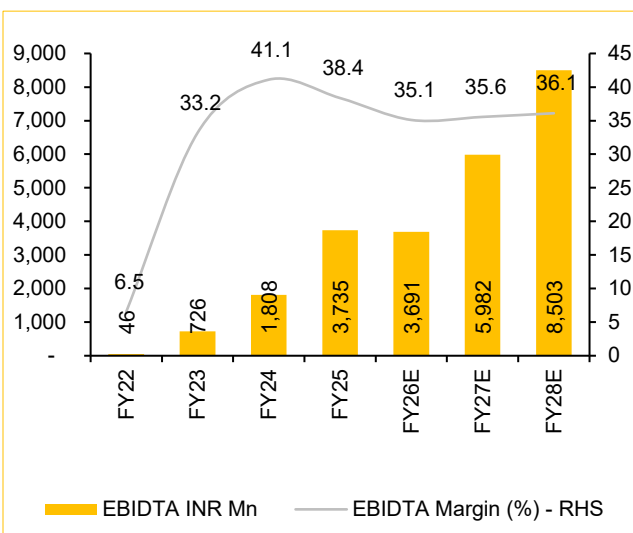
## 6.2 Graphs & Trends

**Rev. expected to expand ~34.2% CAGR over FY25–28E**



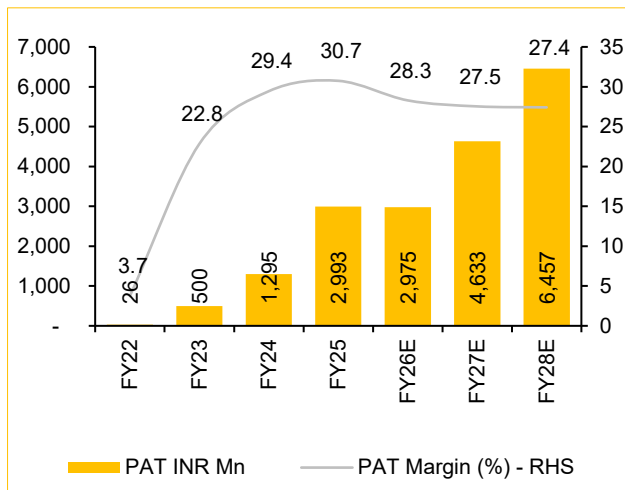
Source: ZEN & Choice Institutional Equities

**EBITDA margin to remain healthy between 35-36% range**



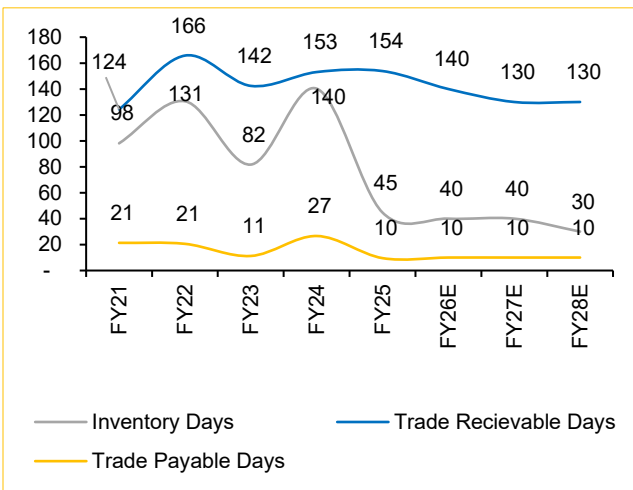
Source: ZEN & Choice Institutional Equities

**PAT expected to expand ~29.2% CAGR over FY25–28E**



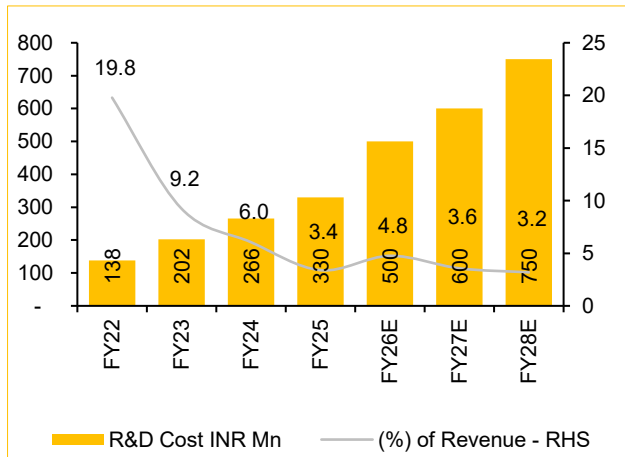
Source: ZEN & Choice Institutional Equities

**Working Capital Cycle to improve**



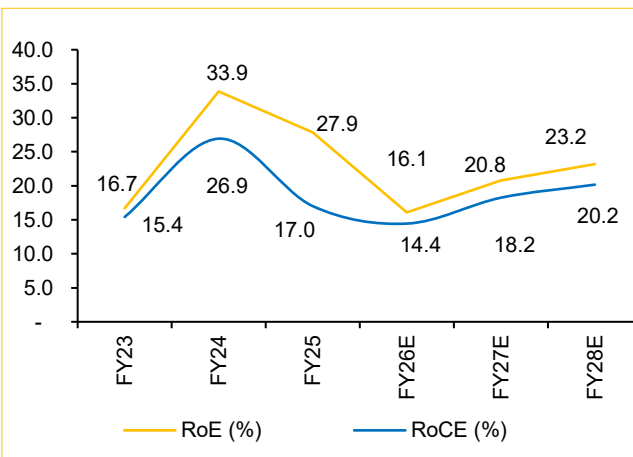
Source: ZEN & Choice Institutional Equities

**Strong R&D for futuristic technologies**



Source: ZEN & Choice Institutional Equities

**ROE & ROCE trend**



Source: ZEN & Choice Institutional Equities

### 6.3 Financials & Ratios

#### Income Statement (Consolidated in INR Mn)

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	4,548	10,320	11,041	17,329	24,025
Gross Profit	3,218	6,046	6,530	10,609	15,098
Other Exp	2,591	6,001	6,824	10,843	15,051
<b>EBITDA</b>	<b>1,808</b>	<b>3,735</b>	<b>3,691</b>	<b>5,982</b>	<b>8,503</b>
Depreciation	97	154	182	209	236
EBIT	1,860	4,165	4,035	6,278	8,738
Interest Expense	23	104	-	-	-
Other Income	149	584	526	505	471
Reported PAT	1,295	2,993	2,975	4,633	6,457
<b>EPS</b>	<b>15.5</b>	<b>32.1</b>	<b>32.9</b>	<b>51.3</b>	<b>71.5</b>

Source: ZEN &amp; Choice Institutional Equities

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
<b>Growth Ratios</b>					
Revenue (%)	101.0	121.4	8.0	60.0	40.0
EBITDA (%)	149.0	106.6	(1.2)	62.1	42.1
PAT (%)	159.2	131.1	(0.6)	55.8	39.4
<b>Reurn Ratios (%)</b>					
Gross Margin	73.2	62.1	62.1	63.1	64.1
EBIDTA Margin	41.1	38.4	35.1	35.6	36.1
PAT Margin	29.4	30.7	28.3	27.5	27.4
ROE	33.9	27.9	16.1	20.8	23.2
ROCE	26.9	17.0	14.4	18.2	20.2
<b>Leverage Ratios (x)</b>					
Debt D/E	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity	(0.3)	(0.5)	(0.5)	(0.4)	(0.4)
Net Debt/EBITDA	(0.9)	(2.4)	(2.8)	(1.7)	(1.4)
Interest Coverage	81.5	40.1	NA	NA	NA
Current Ratio	2.3	6.6	9.4	6.8	5.8
<b>Turnover Ratio</b>					
Asset Turnover (x)	0.6	0.5	0.5	0.6	0.6
Inventory Days	140	45	40	40	30
Debtors Days	153	154	140	130	130
Payable Days	27	10	10	10	10
Cash Conversion Cycle in Days	267	189	170	160	150
<b>Valuation Metrics</b>					
Market Cap (INR Bn)	123.9	128.3	128.3	128.3	128.3
PE (x)	92.0	44.3	43.1	27.7	19.9
EV (INR Bn)	122.3	119.2	117.9	118.2	116.8
EV/EBITDA (x)	67.6	31.9	31.9	19.8	13.7
BVPS	55.5	192.3	225.2	276.5	348.0
P/BV (x)	25.6	7.4	6.3	5.1	4.1

Source: ZEN &amp; Choice Institutional Equities

#### Balance Sheet (Consolidated in INR Mn)

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net Worth	4,486	17,007	19,981	24,614	31,072
Non-controlling Interest	177	352	352	352	352
Long-term Borrowings	-	402	-	-	-
Lease Liabilities	41	172	158	252	353
Other Liabilities & Provisions	102	118	112	178	248
Short-term Borrowings	6	139	-	-	-
Other Current Liabilities	2,693	2,300	1,824	3,048	4,478
<b>Total Liabilities</b>	<b>7,505</b>	<b>20,490</b>	<b>22,427</b>	<b>28,445</b>	<b>36,503</b>
Net Fixed Assets	807	1,064	1,183	1,274	1,337
Capital Work in Progress	101	36	105	168	236
Other Non-current Assets	414	3,351	3,931	6,349	8,991
Inventories	1,691	1,193	1,152	1,844	1,936
Trade Receivable	1,845	4,104	4,033	5,992	8,389
Cash & Bank Balance	1,582	9,658	10,400	10,067	11,538
Other Currents Assets	1,066	1,085	1,623	2,750	4,076
<b>Total Assets</b>	<b>7,505</b>	<b>20,490</b>	<b>22,427</b>	<b>28,445</b>	<b>36,503</b>

Source: ZEN &amp; Choice Institutional Equities

#### Cash Flow Statement (Consolidated in INR Mn)

Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows from Operations	134	(1,463)	1,706	6,705	4,645
Cash Flows from Investing	(852)	(8,231)	(950)	(2,782)	(3,009)
Cash Flows From Financing	(33)	10,068	(562)	161	171

Source: ZEN &amp; Choice Institutional Equities

DuPont Analysis	FY24	FY25	FY26E	FY27E	FY28E
Tax Burden	70%	74%	74%	74%	74%
Interest Burden	100%	97%	100%	100%	100%
EBIT Margin	42%	43%	38%	37%	37%
Asset Turnover	0.7	0.7	0.5	0.7	0.7
Equity Multiplier	1.6	1.3	1.2	1.1	1.2
<b>ROE</b>	<b>33.9%</b>	<b>27.9%</b>	<b>16.1%</b>	<b>20.8%</b>	<b>23.2%</b>

Source: ZEN &amp; Choice Institutional Equities

## 7. About the Company

ZEN Technologies Limited is a leading Indian defence technology company specialising in combat training simulators, anti-drone systems and autonomous defence solutions. Its key products include ZEN Anti-Drone System, Combat Training Centres, Smart Target Systems and Remote-Controlled Weapon Stations. With a strong focus on indigenous R&D, ZEN has developed fully in-house, band-independent anti-drone technology validated in real operations. Recent acquisitions in naval simulation and robotics have expanded its capabilities, aligning with India's push for self-reliance in defence. Backed by a robust order book visibility and export traction, ZEN is well-positioned to capitalise on rising global and domestic demand for modern warfare technologies.

### 7.1 Introduction & Product Portfolio

#### 1. Anti Drone System with Hard Kill



Live Training Equipment

Robotic with Weapons

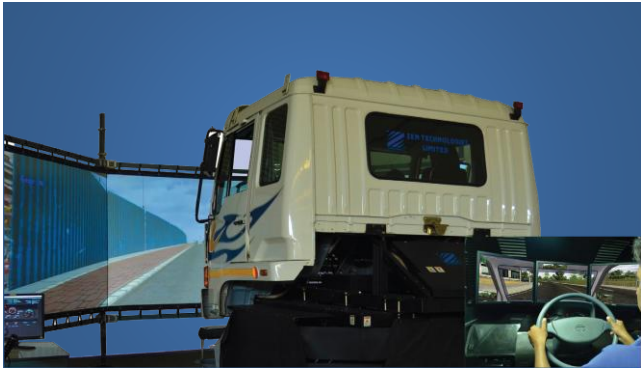


Source: ZEN & Choice Institutional Equities

Live Range Firing



Live Truck Simulator



Live Simulator



Anti-Drone System



Live Shooting



Container Shooting Range



Source: ZEN & Choice Institutional Equities

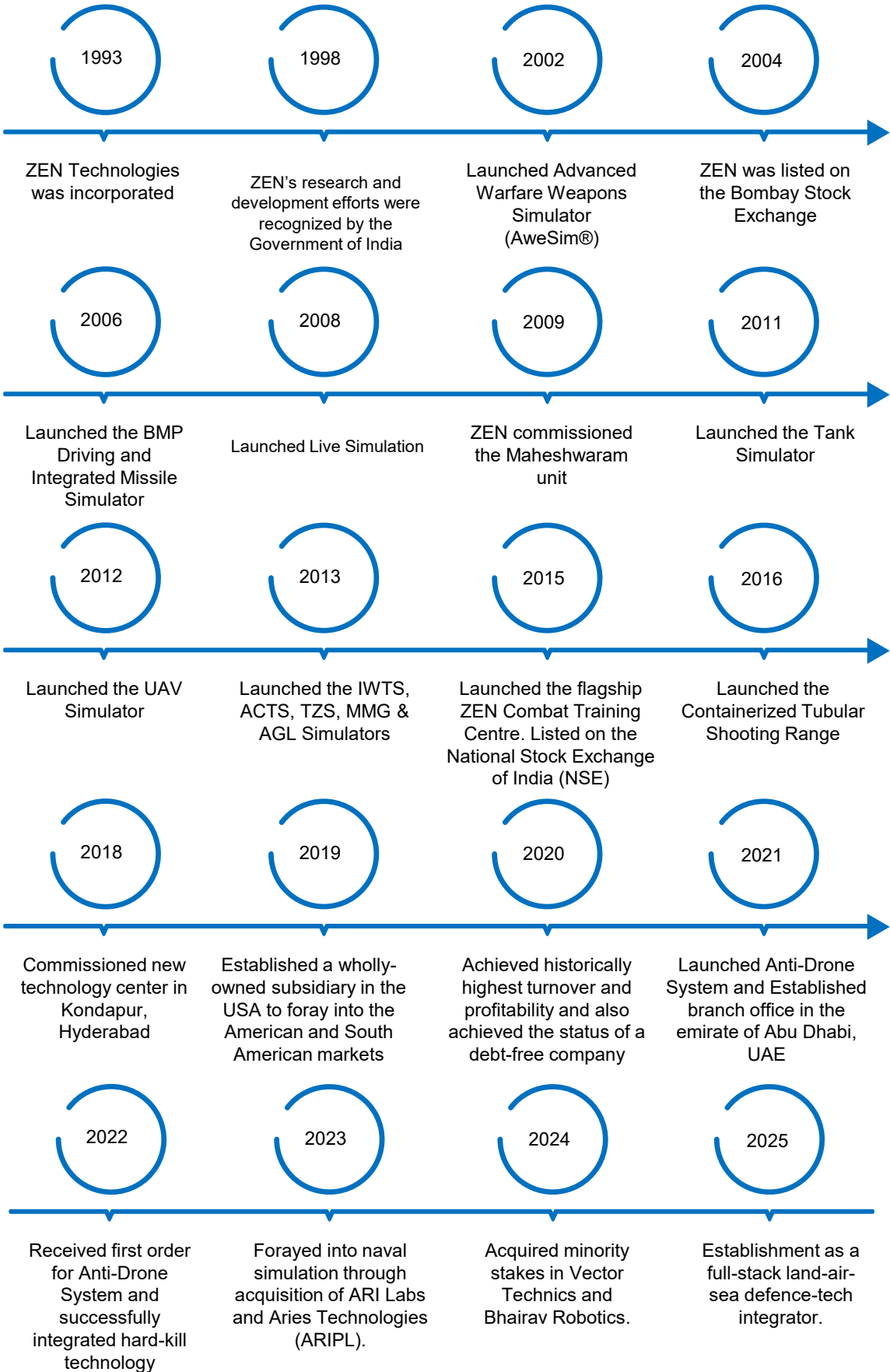


## 7.2 Leadership & Management Team

Name	Designation	Experience
 Mr. Ashok Atluri	Chairman & Managing Director	Mr. Ashok Atluri, a Post-Graduate Diploma holder in Applied Computer Science, is credited with designing Windows-Intel based simulators that set industry standards for simplicity. Recognised as 'Small-Scale Entrepreneur of the Year' by the Hyderabad Management Association in 1998, he has since led Zen Technologies to establish benchmarks in defence simulation and training.
 Mr. Kishore Dutt Atluri	Whole-Time Director & President	Mr. Kishore Dutt Atluri, a Post-Graduate in Computer Applications from the University of Hyderabad, holds over 21 patents in simulation technology. He has been pivotal in developing Zen's virtual and live simulation systems across Infantry, Armoured, Mechanised and Air Defence segments. At Zen, he leads technology direction and product development, ensuring alignment with the Company's strategy.
 Mr. M. Ravi Kumar	Whole-Time Director	Mr. M. Ravi Kumar brings over 22 years of software industry experience, having worked with BDPS, Nova Computers and the Institute of Engineers. A technocrat with expertise in systems programming and robotics, he has been instrumental in developing Zen's simulators, such as Zen SATS SLR and Zen AWeSIM®. At present, he heads the Company's R&D division.
 Ms. Shilpa Choudari	Whole-Time Director	Ms. Shilpa Choudari holds a B.Tech from JNTU and a Master's in Finance & Foreign Trade from Badruka Institute. She began her career at ICFAI Research Centre, publishing extensively, and later worked with HDFC Bank. At Zen, she has served as Research Associate and AGM, Sales & Marketing, gaining strong insights into the Company's products and operations.
 Dr. Ajay Kumar Singh	Independent Director	Dr. Ajay Kumar Singh, recipient of the 'Rashtrapati Rover Award,' is the Associate Director at ISB Hyderabad. He holds a Post-Doctoral Fellowship in Social Marketing, a Ph.D., and an MBA in Marketing. With expertise in social marketing and leadership development, he has delivered 1,000+ training days for leading corporates including SBI, NTPC, ONGC, Tata Steel and ITC, alongside academic advisory roles.
 Mr. Sanjay Vijay Singh Jesrani	Independent Director	Mr. Jesrani, a Fellow Chartered Accountant with 30+ years of experience, is the Founder & CEO of Go North Ventures, investing in and mentoring start-ups across healthcare, deep tech, UAVs, sustainability and fintech. He was earlier the CEO of Hitachi Consulting India's Global Delivery Center and CFO at Sierra Atlantic. A TEDx speaker, he is also associated with TIE Hyderabad, IIIT Foundation and Unimed Health.
 Ms. Sirisha Chintapalli	Independent Director	Ms. Chintapalli, an Associate Member of ICSI and ICMAI, is also a registered Insolvency Professional with 13+ years of experience in legal, finance, secretarial and compliance matters. She has worked with L&T Shipbuilding, International Seaport Dredging and CCL Products. She has strong expertise in capital market laws, corporate restructuring and regulatory governance.
 Mr. Durga Prasad Kode	Independent Director	Mr. Kode, a Commerce graduate and retired IPS officer, brings deep expertise in policing, intelligence, and public administration. He has held senior roles including Commissioner of Police (Visakhapatnam), Chief of Intelligence (Andhra Pradesh), and Head of Greyhounds (Anti-Naxal Operations). He also contributed to power sector reforms at TRANSCO and currently serves as Independent Director on multiple boards.

Source: ZEN & Choice Institutional Equities

7.3 Key Milestone



Source: ZEN & Choice Institutional Equities



## 7.4 Shareholding Pattern

	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
<b>Promoters -</b>	<b>57.45%</b>	<b>57.45%</b>	<b>55.07%</b>	<b>55.07%</b>	<b>55.07%</b>	<b>51.26%</b>	<b>49.05%</b>	<b>49.05%</b>	<b>49.05%</b>
Ashok Atluri	25.64	25.64	25.64	25.64	25.64	22.76	21.65	21.65	21.65
Kishore Dutt Atluri	19.03	19.03	18.73	18.73	18.73	17.43	16.33	16.33	16.33
Rama Devi Atluri	3.18	3.18	3.18	3.18	3.18	2.96	2.96	2.96	2.96
Tara Dutt Atluri	4.03	4.03	2.25	2.25	2.25	2.09	2.09	2.09	2.09
Satish Atluri	1.41	1.41	1.41	1.41	1.41	1.31	1.31	1.31	1.31
Anisha Atluri	1.19	1.19	1.19	1.19	1.19	1.11	1.11	1.11	1.11
Arjun Dutt Atluri	1.19	1.19	1.19	1.19	1.19	1.11	1.11	1.11	1.11
Abhilasha Atluri						1.11	1.11	1.11	1.11
Ravi Kumar Midathala	0.89	0.89	0.59	0.59	0.59	0.55	0.55	0.55	0.55
Beena Atluri	0.52	0.52	0.52	0.52	0.52	0.48	0.48	0.48	0.48
Nagarjunudu Kilaru	0.18	0.18	0.18	0.18	0.18	0.17	0.17	0.17	0.17
Indira Garapati	0.14	0.14	0.14	0.14	0.14	0.13	0.13	0.13	0.13
Nandita Sethi	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
<b>FIs -</b>	<b>3.47%</b>	<b>4.84%</b>	<b>4.65%</b>	<b>3.84%</b>	<b>3.09%</b>	<b>5.72%</b>	<b>8.29%</b>	<b>5.95%</b>	<b>6.03%</b>
<b>DIs -</b>	<b>0.21%</b>	<b>0.15%</b>	<b>3.09%</b>	<b>3.31%</b>	<b>3.37%</b>	<b>8.05%</b>	<b>8.97%</b>	<b>9.47%</b>	<b>8.76%</b>
Motilal Oswal Focused Fund							3.5	3.8	4.15
Kotak India Eq Contra Fund						3.18	3.18	3.63	2.12
<b>Public -</b>	<b>38.11%</b>	<b>36.80%</b>	<b>36.42%</b>	<b>37.15%</b>	<b>37.94%</b>	<b>34.49%</b>	<b>33.24%</b>	<b>35.10%</b>	<b>35.72%</b>
Logical Solutions Limited	1.12	1.12	1.12	1.12	1.12	1.05	1.05	1.05	1.05
<b>Others -</b>	<b>0.76%</b>	<b>0.76%</b>	<b>0.76%</b>	<b>0.62%</b>	<b>0.53%</b>	<b>0.47%</b>	<b>0.46%</b>	<b>0.44%</b>	<b>0.43%</b>

Source: Company &amp; Choice Institutional Equities

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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 &amp; Small Cap: Less Than INR 20,000 Cr Market Cap

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