27 July 2026 **CALL CLOSED**

CMP: Rs1690 **Zen Technologies Limited**

We had initiated a Buy call on Zen Technologies Ltd (Zentec) on 08th May, 2018 at Rs115 with a target price of Rs170, post which the stock has witnessed multiple target revisions, with the latest target of Rs2000 (recently breached on 22nd June 2026). Before this, the stock had witnessed an all-time high of Rs2627 which is ~21x since initiation. Over the last 5 years the company has seen an improvement in the overall order book for simulation and anti-drones; however, in FY25-26 the company had witnessed delayed execution coupled with **lower order book** where the PAT was majorly driven by other income. The order book for Q1FY27 stands at ~Rs12.39bn which is lower as compared to ~Rs13.39bn in Q4FY26; there could be some delays in RFP closures due to government procurement shifts which can put more stress on the already stretched working capital requirements of the company. Zentec continues to have lumpiness in the reported topline with huge dependency on orders from MoD; any policy shift or budgetary reallocation can further impact the overall revenue. In addition to this, there is lot of ambiguity related to the margins profile. We thereby close the call and will maintain a soft coverage on the same.

Recommendations:

We close the call on the stock.

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