

ZENSAR TECHNOLOGY | BUY | Rs. 98

STOCK DATA	
Revenue	928 Cr.
Net Profit	86 Cr.
EPS	36
Price Earning	2.4
Book Value	106
Equity	24 Cr.
Market Cap	235 cr.
Dividend	45%
Recent Low	65

"I am surprised to see 2 PEx pricing for this zero debt, 1000 Cr. Revenue-company with steady growth and high quality earnings"

Porinju Veliyath
Portfolio Manager

Zensar Technologies is a global information technology services and business process outsourcer headquartered in Pune. Zensar is the world's first enterprise-wide SEI CMM Level 5 Company and now a CMMI Level 5 Company with industry expertise that spans Retail, Manufacturing, Banking, Finance, Insurance, Telecommunications, Utilities and Pharma. Company has created world class infrastructure at Pune, a campus with capacity of 5000 seats, besides its Hyderabad campus. Zensar currently employs around 4500 people and supports Fortune 500 clients with software business solutions that help them compete in the digital economy.

Dr. Ganesh Natarajan, CEO of the company has done a wonderful work by managing Zensar very professionally and dynamically creating long term **potential wealth** for the shareholders. We are really impressed with the vision, style and culture of the management and find no reason for Zensar not to be priced at par with the peer companies. The not-so-good investor perception about RPG Group, which holds over 50% in Zensar may not be relevant in this case as the CEO is given full freedom of management.

Zensar has been **growing steadily** over the past decade and we expect the revenue be well over Rs.1000 cr. during 2009-10 with profits at around Rs.100 Cr, indicating an EPS of Rs.40+. Going forward we expect stock market to understand the company better and price Zensar stock at 8 to 10 times earnings, translating into share price of Rs.300 to Rs.400.

Equity Intelligence India Private Limited is involved only in SEBI Registered Portfolio Management activity and the stock ideas are meant exclusively for our clients. Company has long term investments in Zensar Technology on behalf of PMS investors and in its proprietary account and since has a vested interest.