

July 31, 2025

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

To,
Dept. of Corp. Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001

Symbol: ZENTEC

Scrip Code: 533339

Dear Sir/Madam,

Sub: Notice convening the 32nd Annual General Meeting (“AGM”) and Annual Report 2024-25

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that 32nd Annual General Meeting (AGM) of the Company is scheduled to be held on Saturday, August 23, 2025 at 9:30 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

In this regard we are submitting herewith 32nd Annual Report for FY-2024-25 including Notice convening the AGM which is being sent only through electronic mode to the Members, who have registered their e-mail addresses with the Company/ Depositories Participants/ Company’s Registrar and Share Transfer Agent viz. Kfin Technologies Limited (RTA’).

For Members who have not registered their e-mail address, a letter providing the web-link where the Annual Report of the Company is uploaded and QR Code to access digital copy Annual Report is being sent at the address registered in the records of RTA/Company/Depositories Participants.

The Annual Report for the financial year 2024-25 containing the Notice is also uploaded on the Company’s website at www.zentechnologies.com/annual-reports.

The following are the details in connection with the e-voting:

Cut-off date for e-voting	Friday, August 15, 2025
E-voting start time and date	9:00 a.m. (IST) on Wednesday, August 20, 2025
E-voting end time and date	5:00 p.m. (IST) on Friday, August 22, 2025

This is for your kind information and records.

Thanking you,

Yours faithfully,

For **Zen Technologies Limited**

Sourav Dhar
Company Secretary & Compliance Officer
Encl: As above

Works: Plot No. 36, Hardware Park, Near Shamshabad International Airport, Hyderabad - 501 510, Telangana, India



ARCHITECTING
INDIA'S GLOBAL
LEADERSHIP
IN **DEFENCE**
THROUGH R&D



LIVE RANGES



VIRTUAL
SIMULATION



LIVE SIMULATION



DRONE AND
ANTI-DRONE
SYSTEM



COMBAT TRAINING
CENTRE

Zen Technologies Limited
Annual Report 2024 - 25

Architecting India's Global Leadership

IN DEFENCE THROUGH R&D

At a time when the world is redefining the boundaries of security and warfare, India stands poised to assert its leadership on the global stage. The journey of Zen Technologies has always been one of innovation and foresight, where the commitment to research and development has shaped not just our own trajectory, but also contributed to the larger narrative of national self-reliance in defence technology.

From its inception, Zen Technologies has recognised that true leadership in defence is not built on manufacturing alone, but on the foundation of intellectual property and continuous innovation. Our approach has been to invest in ideas, to nurture talent, and to pioneer solutions that address the most pressing security challenges of our time. This philosophy has enabled us to create advanced simulation and counter-drone systems that are recognised and trusted by defence forces both in India and abroad.

As we look to the future, the importance of indigenous research and development has never been clearer. The evolving nature of global threats demands agility, adaptability, and a relentless pursuit of excellence. Zen Technologies is committed to being at the forefront of this transformation, leveraging our deep expertise and collaborative spirit to push the boundaries of what is possible.

Our vision is not just to be a leader in the Indian defence sector, but to represent the country's capabilities on the world stage. Through our unwavering focus on research and development, we are helping to shape a future where India is recognised as a global hub for defence innovation and technological excellence.

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Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and make informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward- looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate,' 'estimate,' 'expects,' 'projects,' 'intends,' 'plans,' 'believes,' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward- looking statements, whether as a result of new information, future events or otherwise.

FY25 IN REVIEW (₹ IN LAKHS)

93,066.72

REVENUE FROM OPERATIONS

43,027.51 FY24 ↑ 116%

32,310.17

OPERATIONAL EBITDA

18,054.17 FY24 ↑ 79%

26,295.07

PROFIT AFTER TAX

12,923.45 FY24 ↑ 103%

69,194.10

ORDER BOOK

1,40,197.38 FY24



ABOUT THE COMPANY

LEADING WITH INDIGENOUS DEFENCE TECHNOLOGY

In an era defined by rapid technological change and evolving security challenges, Zen Technologies Limited has established itself as a key contributor to India's growing stature in the global defence technology landscape. Since its founding in 1993, the Company has consistently anticipated the needs of modern armed forces, developing solutions that address the complexities of contemporary warfare.

Zen Technologies began as a specialist in simulation training for land-based forces, creating high-fidelity simulators that enable military personnel to train for real-world scenarios in safe and controlled environments. These systems, which now span tank, vehicle, artillery, and flight training, provide armed forces with realistic, cost-effective, and sustainable alternatives to live exercises.



As security threats have diversified, the Company has expanded its expertise to include advanced counter-drone systems. These solutions leverage artificial intelligence and advanced sensors to detect, track, and neutralise unmanned aerial threats, addressing a critical challenge for defence forces worldwide. Most recently, the Company has extended its capabilities into naval and marine simulation, supporting the training and operational readiness of maritime forces.

Underpinning this progress is a steadfast focus on indigenous research and development. Zen Technologies invests continuously in intellectual property creation, ensuring that its products remain at the forefront of defence technology. The Company's solutions are trusted by defence forces in India and across international markets.

Guided by a team of seasoned professionals, Zen Technologies is dedicated to advancing the field of defence training and security. As India moves towards greater self-reliance and global leadership in defence, the Company is positioned to play a central role in shaping the future of military preparedness.



Vision

To be the global leader in defence training solutions and anti-drone technologies, empowering armed forces worldwide with cutting-edge simulation and security systems.



Mission

We are committed to enhancing the combat readiness of armed forces through innovative, cost-effective, and sustainable training solutions. Our mission is to continuously push the boundaries of technology, creating indigenous products that set new benchmarks in defence training and security.



ZEN AT A GLANCE

30+

YEARS OF EXPERIENCE
IN DEFENCE TECHNOLOGY

390+

TEAM MEMBERS

~₹69,194.10 Lakhs

ORDER BOOK AS
ON MARCH 31, 2025

~85

PATENT GRANTED TILL DATE

10,655.25 Lakhs

INVESTED IN R&D
OVER LAST 5 YEARS

1,000+

TRAINING SYSTEMS SHIPPED
OVER THE WORLD

A Portfolio Shaped by **EVOLVING DEFENCE NEEDS**

Our commitment to innovation is reflected in a robust product portfolio — ranging from next-generation anti-drone systems to cutting-edge live and virtual simulation technologies. This progress is powered by a dedicated R&D team that continuously delivers high-performance, customer-centric solutions. We proudly offer our solutions across three verticals: Training Solutions (Live Ranges, Live Simulation, Virtual Simulation and Combat Training Centre), Drones & Counter-Drone Solutions, and Other Operational Equipment (Automated Weapon Systems and Robotics). Together, these solutions are not only strengthening the operational preparedness of armed forces but are also advancing our long-term vision of sustainable, technology-driven defence solutions.



Training Solutions



Live Ranges

By providing a realistic environment to train, our Live Ranges allow troops to practice essential marksmanship, tactical situations and missions with live ammunition and ordinance, under conditions that are as close to real-world scenarios as possible.

SMART TARGET SYSTEM (ZEN STS®) - LOMAH™

This is an electro-mechanical, software-driven acoustical projectile detection and reporting system. Owing to its light-weight, user-friendly interface, it is easy to use at outdoor ranges for live small firearms shooting. The Location of Miss and Hit (LOMAH) is an advanced solution for Zen STS that addresses the challenges faced during the day and night firing.

MULTI-FUNCTIONAL TARGET SYSTEM (MFTS®)

This is an electro-mechanical system for versatile targets which are programmable from the shooters end to perform various movements for firing practices. This portable and easy to operate system is designed for use both at outdoor and indoor shooting ranges.

TANK TARGETS

These are ideal for range firing and tactical firing practices. At Zen, we offer both static and moving tank target systems.

CONTAINERISED TUBULAR SHOOTING RANGE (CTSR)

This acts as a compact and secure indoor alternative to live firing, designed to optimise space usage for a range. It additionally supports the installation of a Smart Target System and its length can be extended to add more containers, if required.

CONTAINERISED INDOOR SHOOTING RANGE (CISR)

This is a self-contained, transportable live-fire shooting facility, designed with the latest acoustic and ricochet materials to create a clean, safe, and discreet environment for live-fire requirements.

CSAFR (CONTAINERISED SMALL ARMS FIRING RANGE)

This is a modular live-fire training range delivering unmatched realism, zero danger area, rapid deployment, and immersive tactical training — ideal for military, police, and paramilitary use.

SHOOT HOUSE FOR LIVE AND SIMULATED INDOOR TACTICAL TRAINING

This is a secure indoor facility designed to meet the training needs of security personnel in operations to eliminate threats in a closed environment. It is equipped with a variety of realistic features that create a dynamic and engaging training environment.

AIR-TO-GROUND FIRING RANGE SCORING SYSTEM

This is an innovative solution designed to provide a comprehensive training experience for air-to-ground weapons delivery. The system is capable of deploying a wide array of targets, tracking their movements and recording hit-and-miss scores, thus providing a full-spectrum evaluation of the exercise.



Force-on-Force Training (Live Simulation)

Our Live Simulation utilises smart technology and provides a realistic and immersive experience that closely mirrors real-world scenarios. Our offerings include:

ARMOUR COMBAT TRAINING SYSTEM (ZEN ACTS™)

This is an electro-mechanical system for versatile targets which are programmable from the shooters end

to perform various movements for firing practices. This portable and easy to operate system is designed for use both at outdoor and indoor shooting ranges.

TACSIM® - TACTICAL ENGAGEMENT SIMULATOR

This simulator trains soldiers to utilise the skills acquired during training in field craft, battle drills and live-fire practice while carrying out operational exercises.

It is ideal for Commando Units, Special Operation Groups, Special Task Forces, Special Forces, Training Centres, Armed Battalions of Police and all Law Enforcement Agencies. This simulator enables training in near-real life scenarios and training of large troops in a cohesive manner in complete confidentiality.

Simulators (Virtual Simulation)

Virtual Simulation is a key offering in Zen's product basket, providing cutting-edge training solutions for defence personnel. With numerous benefits, including controlled environment and cost-effectiveness solutions, virtual simulation allows many people to be trained simultaneously without compromising on the quality of training.

ADVANCED WEAPONS SIMULATOR (AWESIM®)

This is a state-of-the-art firearms simulator that recreates small arms firing range indoors and is aimed at training recruits to Special Forces and Commandos. The simulator can be adapted to a number of firearms to impart basic training, hone firing skills, improve weapon handling skills and tests the skill level of trainees in complex and war-like scenarios.

INFANTRY WEAPONS TRAINING SIMULATOR (IWTS®)

This modularly-designed wireless system facilitates marksmanship training and battle handling of weapons, both individually and up to a section of recruits/soldiers in tactical scenarios of conventional and unconventional operations.

COMBAT WEAPONS TRAINING SIMULATOR (CWTS)

This is an indoor simulator that enhances firing skills across infantry weapons, enabling full-section training with future-ready weapon upgrade capability.

MEDIUM MACHINE GUN SIMULATOR (MMG SIM)

This is an interactive indoor training aid to train MMG detachment numbers in techniques of engagement of various targets, fire control and tactical employment of the weapon system.

AUTOMATIC GRENADE LAUNCHER SIMULATOR (AGL SIM)

This simulator offers complete training solutions to the crew of an automatic grenade launcher. The trainee-in-loop gets the benefit of life-like environment of terrain, combat situation and weapon.

81MM MORTAR INTEGRATED SIMULATOR (81MM MIS)

This simulator is designed to enable the soldier to gain proficiency in operating and firing the 81 mm Mortar.

ANTI-TANK GUIDED MISSILE SIMULATOR (ATGM® SIM)

This is an indoor simulator, designed and developed to meet the challenging training requirements of missile pilots. This simulator trains recruits and hones

the skills of trained pilots in handling and firing missiles. The guided missile simulator enables instructor to track the performance of trainees in real time.

ARTILLERY FORWARD OBSERVERS SIMULATOR (ARTYFOS)

This simulator trains observation post officers, forward observers of the artillery and other officers of combat wings of army who may be required to fire long-range, indirect fire weapons like mortars, guns, howitzers, rockets and missiles.

ANTI-AIRCRAFT AIR DEFENCE SIMULATOR (3ADS)

This light-weight and user-friendly simulator is designed to train operators on laying procedures in both simulated and field conditions as well as psychophysiological training, experienced at the time of launch. It provides data of missile launch, details of target movements and hit-and-miss information for analysis.

INTEGRATED AIR DEFENCE COMBAT SIMULATOR (ZEN IADCS)

This is a state-of-the-art virtual simulator used for the training of L 70 and ZU 23-2 gun crews, with enhanced realism in weapon handling along with realistic battle scenarios. It can transform the crews to deliver accurate fire power.

PRODUCT PORTFOLIO



Armoured Vehicle Simulators (Virtual Simulation)

TANK DRIVING SIMULATOR

This is a containerised driving simulator offering comprehensive, progressive training for T-90 tank operations—covering basic to advanced driving techniques across diverse terrains and conditions.

TANK CREW GUNNERY SIMULATOR

This is a gunnery training simulator for gunner trainees of Tank T-90. It belongs to the stable of Armoured Vehicle Simulators developed by Zen.

IFV/APC - DRIVING SIMULATOR

This is a high-fidelity ICV/APC driving simulator with 6 DoF motion, realistic visuals, and controls, enabling complete training with enhanced safety and cost savings.

IFV/APC - CREW GUNNERY SIMULATOR

This is a realistic simulator for ICV/APC gunner and commander training, replicating actual controls to enhance weapon handling, targeting, and operational efficiency.

INFANTRY COMBAT VEHICLE DRIVING SIMULATOR (BMP II DS)

This simulator has been developed to train recruits as well as special drivers to drive Infantry Combat Vehicle (ICV) or the Armoured Personnel Carrier (APC) in operational and peace time scenarios.

BMP II INTEGRATED MISSILE SIMULATOR (BMP II IMS)

This simulator has been developed to meet the training requirements of gunners and commanders of Infantry Combat Vehicle (ICV)/Armoured Personnel Carrier (APC). It trains recruits and hones the skills of trained gunners in handling and firing different types of weapon systems.



Vehicle Driving Simulators (Virtual Simulation)

DRIVING TRAINING SIMULATOR (ZEN DTS®)

This is a versatile, indoor training system for light, medium and heavy vehicle drivers. The simulator facilitates training in a 'to-scale' vehicle cabin with actual indicators and controls.

DRIVER APTITUDE TESTING SYSTEM (ZEN DATS)

This is a reflex testing system that tests a driver's alertness, depth perception, peripheral vision, night vision and ability to recover quickly from the effects of glare. The system identifies individuals prone to accidents by exposing psycho-motor deficiencies.

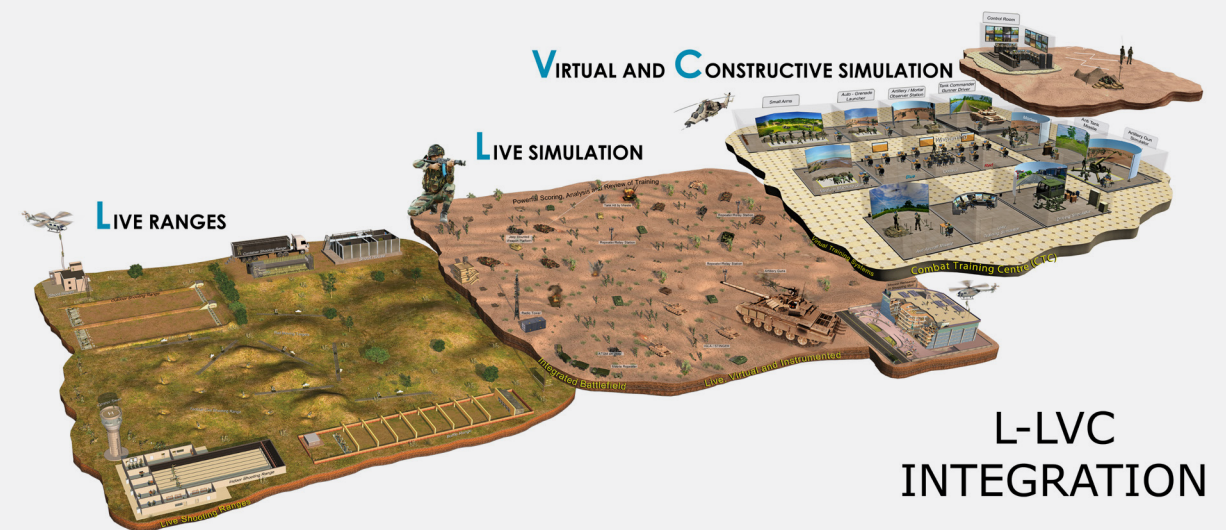


CTC (COMBAT TRAINING CENTER)

A soldier must always be prepared for battle and must be well-trained to do so. At Zen, we create an expansive portfolio of live, virtual, constructive and mixed reality combat training systems to develop and maintain combat-ready soldiers.

Our Combat Training Centres are designed to deliver this critical training in a realistic and engaging environment. With the ability to simulate offence, defence, stability operations, and more, CTCs are the ideal platform for joint power

projection, ground maneuver, air operations, fire supports, logistics, and other vital elements of combat readiness. These state of the art facilities feature instrumented range areas, simulation facilities, and a dedicated full-time military opposing force to provide a dynamic and capable adversary for training exercise.



Drone & Counter-Drone Technology

Anti-Drone System/Zen Vyomkavach

Zen Technologies provides a comprehensive anti-drone solution under its Counter Unmanned Aerial System (CUAS) offering, addressing the rising security risks associated with unauthorised drone activity. The company's CUAS is characterised by a multi-layered, multi-sensor framework designed to detect, classify and neutralise aerial threats. Robust detection is achieved through a combination of radio frequency analysis, advanced day and night video sensors, and sophisticated radar technology. Together, these modules enable early-warning identification and reliable tracking of both remotely operated and autonomous drones, ensuring situational awareness across a range of environments.

At the core of the solution is an integrated command and control centre that fuses data from all sensor modules in real time. This central hub provides operators with a unified picture of the airspace, supporting informed decision-making through actionable analytics, intelligent threat classification and dynamic mapping with customisable monitoring zones. The intuitive user interface streamlines operations, offering flexibility and rapid response to the shifting nature of aerial threats. This seamless integration of technologies distinguishes Zen Technologies' approach and elevates operational resilience for sensitive installations.

To fully mitigate risk, Zen Technologies' CUAS incorporates a comprehensive neutralisation suite. The system features advanced electronic jammers designed to disrupt hostile drone communications and navigation, thereby rendering rogue aerial threats inoperable. Additionally, for situations requiring physical intervention, both kinetic and net-based options are available. These provide either safe retrieval or effective destruction of drones, depending on operational requirements.



Other Operational Equipment

Force Multipliers

SHOOTEDGE

ShootEdge® is an advanced adapter engineered specifically for pistols, Glock 17, Glock 19 or UBGLs revolutionizing tactical operations by enabling secure shooting around corners without exposing the operator to direct fire. Its pivotal feature is the capability to swivel the weapon up to 65 degrees to either side, allowing effective firing from positions that minimize exposure. The system integrates cutting-edge technology, including a high resolution day and night camera that delivers clear visuals regardless of lighting conditions. This is complemented by an IR illuminator for enhanced visibility in low-light environments, a precise red dot laser for accurate aiming, and a tactical torch for supplementary functionality.

CORNERSHOT WEAPON SYSTEM - ZEN CSWS TRIKAAL

Barbarik-URCWS is the world's lightest remote-controlled weapon station, offering precise targeting capabilities (5.56mm to 7.62mm calibres) for ground vehicles and naval vessels. This system maximises battlefield effectiveness while minimising personnel risk.

PRAHASTA - ARMY ROBOTIC DOG

Prahasta is a revolutionary automated quadruped that uses LIDAR and reinforcement learning to create real-time 3D terrain mapping for unparalleled mission planning, navigation, and threat assessment. The quadruped can be armed with various calibre weapons such as 9mm, 5.56mm, and 7.62mm, making it an ideal first line of defence for commandos during CI operations like 26/11, thereby saving lives.

BARBARIK URCWS (UNIVERSAL REMOTELY CONTROLLED WEAPON STATION)

Barbarik-URCWS is the world's lightest RCWS, supporting 5.56mm to 12.7mm guns, grenade launchers, and ATGMs. Its dual-weapon capability enables flexible deployment across vehicles, vessels, or buildings, enhancing combat versatility and precision.

RCWS - 7.62 X 51 MMG (PARASHU)

The Parashu RCWS is a lightweight, versatile remote-controlled weapon station designed for diverse operational scenarios, including drone threats. Equipped with a thermal camera and auto-tracking, it ensures precise target acquisition and engagement in all conditions. Compatible with 7.62mm and 5.56mm calibers, it suits various platforms — land or naval — enhancing mission flexibility and defense capabilities.

NAVAL RCWS – 12.7 X 99 HMG (SHARUR)

RCWS-Sharur is a state-of-the-art naval Remote Controlled Weapon Station built for maritime environments. It supports .50 caliber weapons, engaging threats up to 2 km away. With a cooled thermal camera and FOG-based stabilization, it ensures less than 3 mRad accuracy in low-visibility and rough seas. Sharur offers robust, reliable protection across diverse naval platforms, enhancing operational effectiveness.

TANK MOUNTED RCWS - 12.7 X 108 HMG (FANISH)

RCWS-Fanish is a lightweight, tank-mounted weapon station with a 12.7 mm NSV gun, cooled thermal camera, and FOG stabilization. Designed for T-72, T-90, and other platforms, it ensures less than 3 mRad accuracy in demanding combat conditions.



ISR (Intelligence, Surveillance and Reconnaissance) Systems

ADS HAWKEYE

Hawkeye epitomizes a state-of-the-art anti-drone system camera, featuring multiple sensor detection modules for all-weather drone tracking up to 15 km. It ensures continuous threat detection and enhanced security.

STHIR STAB 640

Sthir Stab 640 is a rugged stabilised sight designed mainly for armoured vehicles, ICVs, and boats. The sight encompasses an intelligent fibre optic gyro-stabilised system and delivers exceptional situational awareness with automatic search and tracking capabilities. It can be used in different weapon mounts such as 7.62mm, 12.7mm, 20mm, and 30mm.

ARTILLERY RUGGED CAMERA (DURGAM)

DURGAM is a rugged military-grade camera with day and thermal imaging, a high-resolution 640x512 sensor, and extreme shock resistance — ensuring clear visibility and reliable performance in harsh operational conditions.

A LEGACY BUILT ON CONTINUOUS PROGRESS

Zen Technologies' journey is shaped by a clear vision and a commitment to continuous advancement in defence technology. Since inception the Company has introduced pioneering solutions that have set new standards in the industry. Our progress is the result of strategic choices, investments in research and development, and a culture that values both technological excellence and operational discipline.

1993

Zen Technologies is incorporated, founded with a vision to revolutionise defence training through innovative simulation technologies.

1996

The Company achieves its first major breakthrough with the sale of Zen SATS® to the Government of India, establishing its reputation in defence training and simulation.

1998

Zen's focus on research and development earns recognition from the Government of India, setting the stage for future technological advancements.

2002

Zen introduces AWeSim®, an advanced warfare weapons simulator that sets new benchmarks in defence training standards.

2004

The Company is listed on the Bombay Stock Exchange, marking a significant step in its corporate growth and market presence.

2011

Zen launches its first tank simulator, reinforcing its leadership in defence simulation technologies.

2009

The commissioning of the Maheshwaram Unit in Hyderabad further strengthens Zen's manufacturing and operational capabilities.

2008

Zen pioneers live simulation technologies, making training more immersive and realistic for armed forces.

2006

Expansion of the product portfolio continues with the launch of the BMP Driving Simulator and BMP Integrated Missile, enhancing training capabilities for armoured vehicle operations.

2022

Zen receives its first order for the Anti-Drone System and successfully integrates hard-kill technology, further enhancing product capabilities.

2021

Zen launches its Anti-Drone System and expands its global footprint with a branch office in Abu Dhabi, UAE.

2019

The Company becomes debt-free and establishes a wholly-owned subsidiary in the USA, marking its entry into the American and South American markets.

2018

Zen commissions its first Artificial Intelligence Centre in Hyderabad, underscoring its commitment to technological leadership.

2016

The launch of the containerised Tubular Shooting Range provides flexible, effective training solutions for varied operational needs.

2012

The introduction of the UAV Simulator demonstrates Zen's commitment to diversifying its training solutions for modern warfare.

Spotlight FY25

FY25 was a pivotal year for Zen Technologies Limited marked by the successful completion of a ₹1,00,000 Lakhs Qualified Institutional Placement, enabling strategic investment in growth initiatives.

The Company recorded its highest-ever turnover and profitability, driven by strong operational execution and demand across core business areas.

Strategic acquisitions in marine simulation, drone propulsion, and AI-driven robotics further expanded Zen's capabilities, positioning the Company as a comprehensive defence technology provider across land, air, and maritime domains.

2015

Zen launches its flagship Combat Training Centres (CTC), integrating its product range for comprehensive training. The Company is also listed on the National Stock Exchange, increasing its visibility in the capital market.

2013

A range of new simulators—including IWTS, ACTSTM, TZS, MMG, and AGL—are launched, showcasing the Company's innovative approach.

OUR INFRASTRUCTURE

ADVANCED INFRASTRUCTURE WITH UNMATCHED CAPABILITIES

1

RESEARCH AND DEVELOPMENT CENTRE, SANATH NAGAR, HYDERABAD

Our Research and Development Centre at Sanath Nagar, Hyderabad, serves as the nucleus of innovation for Zen Technologies. Here, dedicated teams of engineers and scientists collaborate to create pioneering solutions tailored to the dynamic needs of the defence industry.



2

DEMO CENTRE AND PRODUCTION UNIT, NEAR SHAMSHABAD AIRPORT

Strategically located near Shamshabad Airport, our Demo Centre and Production Unit spread across ~15,000 square feet and provides a comprehensive environment for product demonstration and client engagement. This facility enables us to offer stakeholders an immersive experience, showcasing the distinctive capabilities and value of our solutions.



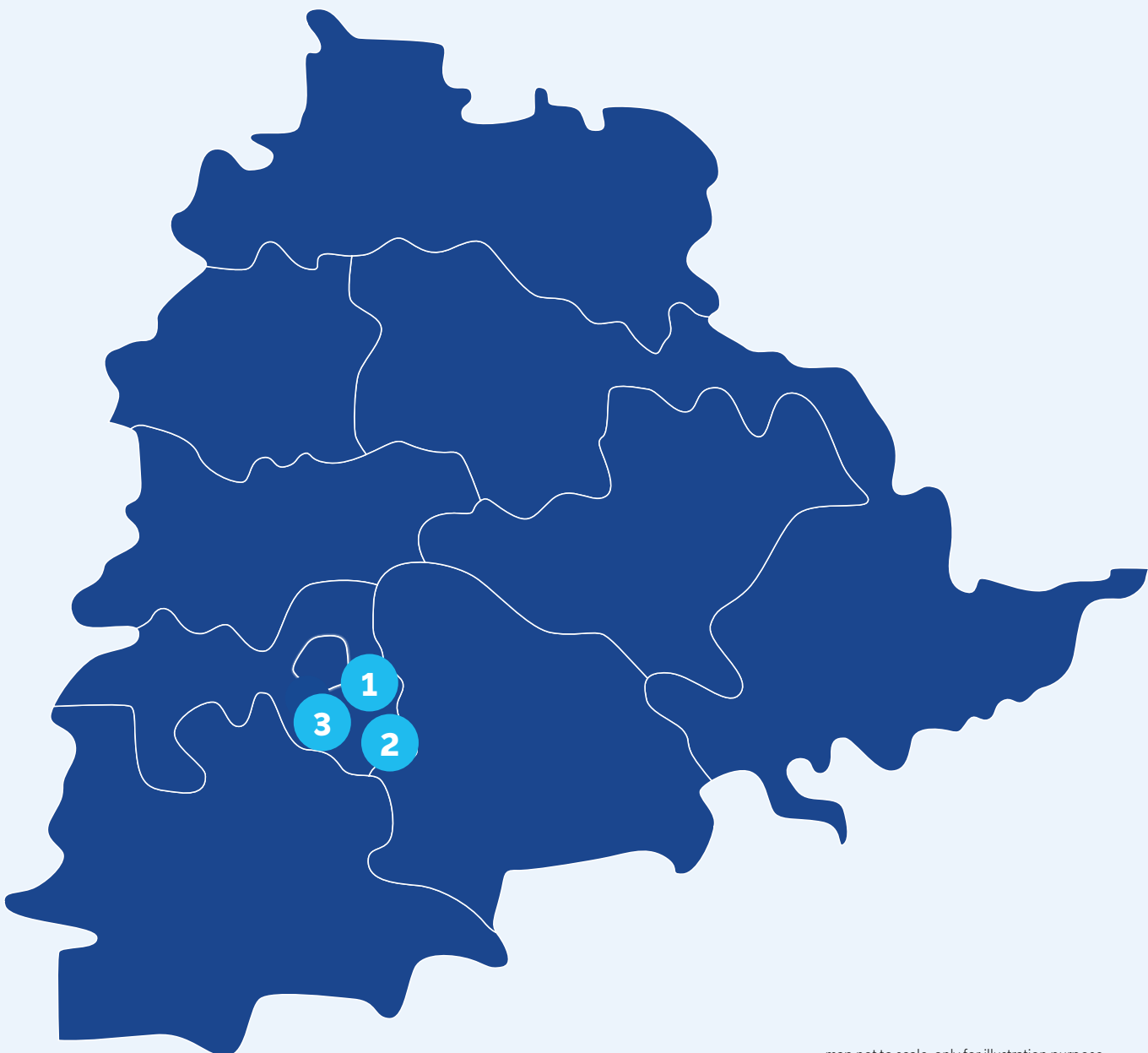
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ARTIFICIAL INTELLIGENCE CENTRE, KONDAPUR, HYDERABAD

Situated in Hyderabad's Hi-tech City, Kondapur, our Artificial Intelligence Centre reflects Zen Technologies' ongoing commitment to technological advancement. Developed in partnership with the University of Hyderabad, this centre is dedicated to exploring and applying the latest developments in artificial intelligence, ensuring the Company remains at the forefront of this rapidly evolving field.



Zen Technologies is committed to operational excellence through its state-of-the-art facilities, each purpose-built to support the Company's culture of innovation and high standards of delivery. These advanced centres are integral to our business, enabling us to develop, demonstrate, and deploy solutions that address the evolving requirements of the defence sector.



map not to scale, only for illustration purpose.

UNLOCKING POTENTIAL WITH CUTTING-EDGE R&D

Intellectual Capital as a Foundation for Growth

Our intellectual capital is anchored in a comprehensive portfolio of patents, developed through sustained investment in R&D. With over 175 patents filed globally and approximately ~85 granted, we have created a strong intellectual property barrier that protects our business and supports our leadership in defence technology.

Accelerating R&D for Future Readiness

Recognising the growing importance of innovation, we are further accelerating our R&D efforts with a new commitment of ₹7,000 Lakhs. This will support the expansion of our R&D centre, drive the development of next-generation solutions, and ensure we remain at the forefront of technological advancement.

Power of an IP-Driven Business Model

Our IP-driven business model ensures that the intrinsic value of our products is protected, with the bill of materials typically accounting for only 35-40% of the final product cost. This structure insulates our profitability from fluctuations in material prices and reinforces our market resilience.

High Entry Barriers and Sustainable Advantage

Zen Technologies' commitment to research and development forms a formidable entry barrier. Our strategy of recognising R&D investments as expenses rather than capital assets ensures our financial statements provide a conservative view. The sustained focus on R&D, along with our disciplined approach to investment, has made it exceptionally challenging for potential entrants to match our capabilities.



At Zen Technologies, research and development is fundamental to our identity and our long-term strategy. Our unwavering commitment to innovation has shaped a robust intellectual property portfolio and established high entry barriers. By consistently increasing our R&D investments, we not only expand our product and technology offerings but also reinforce our competitive edge.

10,655.25
Lakhs

Investment in R&D over the last 5 years

6.55%

Cumulative sales invested in R&D over the last 5 years

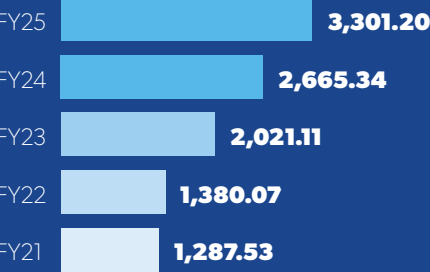
~85

Patents granted globally of the 175 patents filed till date

₹7,000 Lakhs

Committed investment in new R&D facility

R&D SPENDS OVER THE YEARS (₹ Lakhs)



KEY PERFORMANCE INDICATORS

MAKING PROGRESS YEAR AFTER YEAR

The Company has focused on strengthening its operational foundations, diversifying its solutions, and advancing its expertise in the defence industry. This year’s financial performance has set a new precedent for the Company, setting the stage for continued progress and meaningful value creation for all stakeholders.



HIGHLIGHT

**₹93,066.72
Lakhs**

REVENUE FROM OPERATIONS

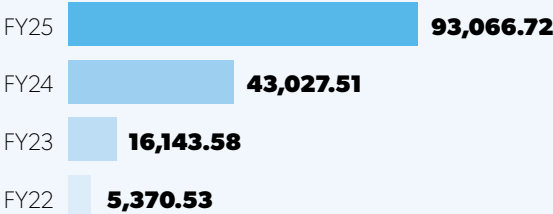
**₹26,295.07
Lakhs**

PROFIT AFTER TAX



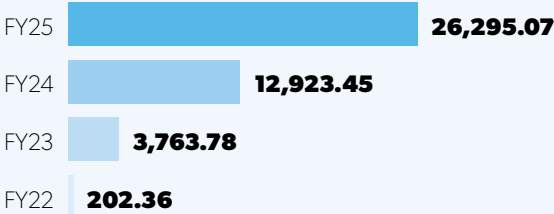
REVENUE FROM OPERATIONS

(₹ in Lakhs)



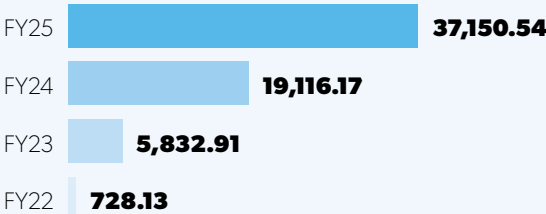
PROFIT AFTER TAX

(₹ in Lakhs)



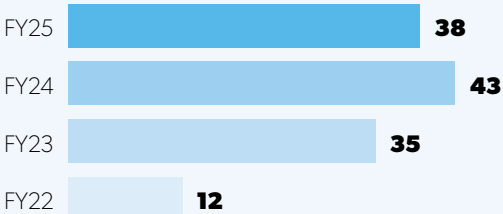
EBITDA

(₹ in Lakhs)



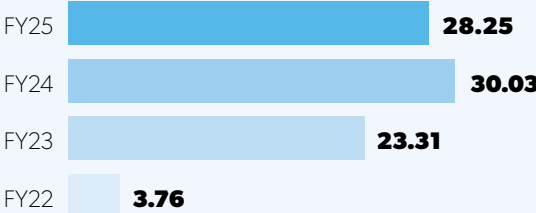
EBITDA MARGIN

(In %)



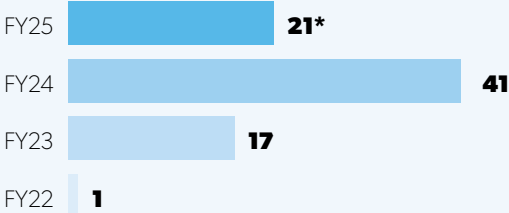
PAT MARGIN

(In %)



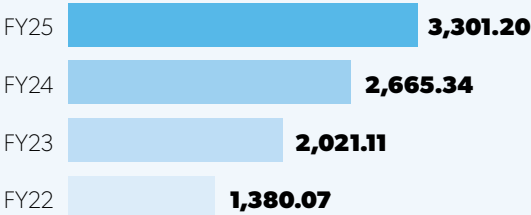
RETURN ON CAPITAL EMPLOYED

(In %)



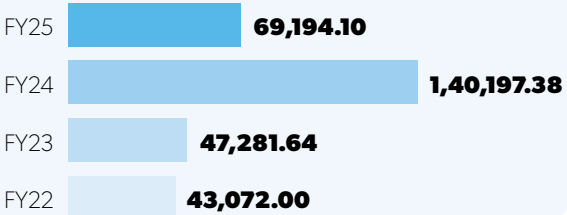
R&D EXPENDITURE

(₹ in Lakhs)



ORDER BOOK STATUS

(₹ in Lakhs)



*The decline in ROCE for the year is primarily attributable to the increase in capital following the Qualified Institutional Placement (QIP) during the year.

SHAPING THE FUTURE OF DEFENCE TECHNOLOGY



DEAR SHAREHOLDERS,

FY25 has been a landmark year for Zen Technologies. We are not just riding the wave of India’s defence indigenisation; we are leading its transformation. With record revenues, a growing portfolio of cutting edge defence technologies, and a deep commitment to innovation, Zen is building the muscle and mindset needed for the wars of tomorrow.

SKIN IN THE GAME

At Zen, our commitment to technology is not just to win tenders; it is to win wars. Years ago, we made a bold bet that very few recognized and even fewer dared to pursue: wideband anti drone systems capable of operating outside commercial frequencies. At that time, defence procurement was focused on drones using commercial spectrum. We knew from conversations inside our labs and study of modern battlefields that adversaries in real wars will not follow telecom regulations. We built for the future, not to check boxes in a tender, but to confront the reality of the battlefield.

That conviction was tested in Operation Sindoor, where our band independent anti drone platform succeeded in neutralizing threats that other systems could not even detect. This is what “skin in the game” means at Zen: investing ahead of demand, choosing difficult paths, and delivering when it matters most.

A YEAR OF SMART GROWTH

FY25 saw us cross ₹ 93,066.72 Lakhs in revenue, backed by healthy profitability and strong cash reserves. Numbers, while important, only tell part of the story. This was the year we executed our largest ever export order in the counter drone segment and secured strategic domestic contracts like the Integrated Air Defence Combat Simulators (IADCS) for the L70 gun. These wins reflect growing trust in our ability to deliver high quality, mission critical systems with speed, precision and reliability.

BETTING ON THE RIGHT TECHNOLOGIES

Zen made three strategic acquisitions this year, not for scale, but for precision. ARIPL brought us world class capabilities in naval and marine simulation. Vector Technics added indigenous drone propulsion to our arsenal. Bhairav Robotics gave us access to next generation robotics and autonomous ground systems.

Each of these aligns with our core strategy of expanding Zen’s footprint across simulation, counter drone, and autonomous systems.

Together, they enable us to offer vertically integrated, mission ready solutions that enhance preparedness, reduce foreign dependency, and ultimately save lives.

As Kautilya wrote in the Arthashastra: “One should march only when the cause is just and the preparation, complete.”

DELAY: THE REAL ENEMY

Delays with no accountability can quietly kill innovation. While the government has made great strides with initiatives like Buy Indian (IDDM) and Make in India, there is still work to be done in tightening procurement and execution timelines.

We believe the way forward is to introduce performance linked metrics. Much time and cost is saved through timely action. Zen will continue to work constructively with all stakeholders to streamline this ecosystem, because fast decisions win wars.

GLOBAL LESSONS, INDIAN LEADERSHIP

The Ukraine conflict has made one truth clear: legacy hardware without continuous training is dangerously ineffective. At the same time, conflicts in Nagorno Karabakh, the Red Sea, and Eastern Europe have shown how drones and autonomous systems are rapidly becoming the first strike weapon in modern warfare.

Zen’s strategy is tightly aligned with this shift. Our investments in simulation based training, wideband counter drone systems, autonomous surveillance, and tactical robotics are targeted bets on what will define outcomes in future conflicts. We are not trying to do everything. We are going deep into the Pareto technologies, which are vital and carry disproportionate battlefield impact. In modern combat, precision matters more than presence.

STAYING READY, STAYING RESPONSIBLE

We remain financially strong, with ₹~1,00,000 Lakhs in liquidity, a ₹69,194.10 Lakhs order book, and no heavy asset drag. Our capital light, IP heavy model lets us stay nimble

and resilient. We are doubling down on R&D, with plans to expand our Hyderabad centre with a ₹7,000 Lakhs investment. This will allow us to compress development cycles and respond faster to emerging threats.

We remain deeply conscious of our responsibility, not just to shareholders, but to soldiers. Simulation based training reduces accidents and emissions. Our technologies are built to keep soldiers out of harm’s way, while making them more effective if called upon.

CALIBRATED FOR THE LONG GAME

Looking ahead, we expect FY26 to be a more measured year in financial terms, driven largely by the timing of order inflows and execution cycles. This is a natural calibration phase in a larger growth trajectory. We are committed to the medium term outlook of achieving cumulative revenue of ₹~6,00,000 Lakhs across FY26, FY27, and FY28, reflecting our confidence in the strength of our technologies, the maturity of our pipeline, and the accelerating momentum in defence modernisation.

As demand for battlefield ready technologies grows globally, Zen is also scaling its presence across key strategic markets. We see exports becoming a meaningful share of our revenue in the years ahead.

LOOKING AHEAD

FY25 was not just a milestone; it was proof that Zen is prepared to lead. The road ahead will demand even greater ambition, discipline, and courage. We will continue building India’s defence edge, one product, one prototype, and one patent at a time.

To our shareholders, thank you for believing in us. With your support, Zen Technologies is not just part of India’s defence ecosystem, we are helping define its future.

The best is yet to come.
Yours sincerely,

Ashok Atluri
Chairman and Managing Director

STEERING OUR JOURNEY WITH TRUSTED EXPERTISE



MR. ASHOK ATLURI
Chairman & Managing Director

A C S R
B I

Mr. Ashok Atluri is a post-graduate diploma holder in applied computer science. He is credited with designing simulators on the Windows-Intel platform that have set industry standards and are known for their simplicity. In recognition of his achievements, he was named 'Small Scale Entrepreneur of the Year' by the Hyderabad Management Association in 1998. Under his leadership, Zen Technologies has set benchmarks in defence simulation and training.



MR. KISHORE DUTT ATLURI
Founder, President & Joint Managing Director

R B I

Mr. Kishore Dutt Atluri is a post-graduate in Computer Application from the University of Hyderabad. With over 21 patents to his name, he has a deep understanding of simulation technology and its applications for defence and homeland security. He has been instrumental in the development of Zen's range of virtual and live simulation systems, including simulators for Infantry, Armoured Corps, Mech Forces, and Air Defence; thus catering to the needs of Police Forces, Central Police Organisations, Civilians, and Miners. His primary roles at Zen include technology direction and product development, aligned with the Company's strategy.



MR. M RAVI KUMAR*
Whole Time Director

B I C R

Mr. M Ravi Kumar, with over 22 years of experience in the software industry, has held positions at organisations such as the Bureau of Data Processing Services (BDPS), Nova Computers Private Limited, and as Director at the Institute of Engineers. He is a technocrat with specialised skills in systems programming and robotics, and plays a crucial role in the design and development of the Company's range of simulators, such as Zen SATS SLR, Zen AWeSIMR, and acts as Head of the R&D division.



MS. SHILPA CHOUDARI
Whole Time Director

C B I

Ms. Shilpa Choudari is a highly qualified professional with a Bachelor's degree in Technology from Jawaharlal Nehru Technological University (JNTU) and a Master's degree in Finance and Foreign Trade from Badruka Institute of Foreign Trade. Relying on her rich experience of working at Zen Technologies as a research associate, and later as an AGM, Sales & Marketing, she has gained an in-depth understanding of the Company's products and processes. Prior to joining Zen, she has published several articles in over 10 books of different subjects while working at ICFAI Research Centre. She has also worked as a professional banker with HDFC in the past.

COMMITTEE KEY

- A Audit Committee
- B Borrowing Committee
- N Nomination and Remuneration Committee
- S Stakeholder Relationship Committee

- R Risk Management Committee
- C Corporate Social Responsibility Committee
- I Investment Committee
- Chairperson
- Member



DR. AJAY KUMAR SINGH
Independent Director

A N R

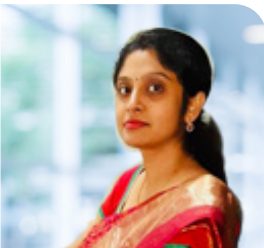
Dr. Ajay Kumar Singh is a versatile professional with extensive experience in leadership, programme planning and designing, implementing teaching, monitoring and evaluation, including business development and consulting. He is the recipient of the prestigious 'The Rashtrapati Rover Award', and currently serves as the Associate Director at the Indian School of Business, Hyderabad. He holds a Post-Doctoral Fellowship in Social Marketing from ISB, Hyderabad, a Ph.D. from Chaudhary Charan Singh University and an MBA degree in marketing from RSMT Purvanchal University. His research expertise lies in social marketing and he has applied his research in areas such as social entrepreneurship, branding, advertising, customer relationship management and customer centricity. He has worked with various organisations, including J P Associates (P) Limited, Crompton Greaves Limited, SIVA Institute and Apeejay School of Marketing. Furthermore, Dr Singh has designed transformation journeys for various government and public sectors and corporate organisations through focused education and training programmes. He has delivered over 1,000 days of mid-career training to top organisations, including the State Bank of India, Bank of Baroda, NTPC, ONGC, IndiGo, Tata Steel, ITC, Sun Pharma, and more. He is also a member of the Academic Advisory Council of the Institute of Public Enterprise, Hyderabad, Telangana, and Honorary Academic Advisor at Capital University of Kodarma District in Jharkhand.



MR. SANJAY VIJAY SINGH JESRANI
Independent Director

A N S R
B I

Mr. Sanjay Vijay Singh Jesrani holds a Bachelor's degree in Commerce and is a Fellow member of The Institute of Chartered Accountants of India (ICAI) with over 30 years of business and corporate experience in finance and strategic leadership roles. He is the Founder & CEO of Go North Ventures, a proprietary angel investment firm focused on investing in and mentoring start-ups. He was the CEO and Head of the Global Delivery Center, Hitachi Consulting India and was CFO at Sierra Atlantic, India. He is a TEDx speaker and has covered new perspectives around start-ups and finance for women. He is an active member of the Indian Angel Network, the premier global group of angel investors, and has investments in start-ups across the healthcare, deep tech, unmanned aerial, sustainability, impact, consumer and fintech sectors. Further, he is a Charter member at TiE, Hyderabad (The Indus Entrepreneurs), a member of the Executive Council at the IIIT Hyderabad Foundation and an Independent Director on the Board of a leading cardiac care focused multi-speciality hospital, Unimed Health (Star Hospitals).



MS. SIRISHA CHINTAPALLI
Independent Director

C N S

Ms. Sirisha Chintapalli holds an Associate Membership of the Institute of Company Secretaries of India and the Institute of Cost and Management Accountants of India. She is also a registered Insolvency Professional and Social Impact Assessor. With over 13 years of experience, she has worked in legal, finance, secretarial, insolvency, and regulatory compliance matters, particularly related to the Companies Act, laws applicable to the Capital Markets, and other statutes. Ms. Sirisha has worked with L&T Shipbuilding Limited, International Seaport Dredging Limited, and CCL Products (India) Limited. Additionally, she was a member of the Managing Committee of Hyderabad Chapter of the Institute of Cost and Management Accountants of India, and has successfully handled various assignments and mergers while being well-versed in the day-to-day operations of the Company.



MR. DURGA PRASAD KODE
Independent Director

Mr. Durga Prasad Kode is a Commerce graduate and retired Indian Police Service officer with a distinguished career in policing, intelligence, and public administration. He has held senior positions such as Commissioner of Police, Visakhapatnam, Chief of Intelligence, Andhra Pradesh, and Chief of Greyhounds (Anti-Naxal Operations). He has also contributed to reforms in the power sector as Joint Managing Director of TRANSCO. Currently, he is engaged in charitable initiatives in education and social welfare, and serves as an Independent Director on the boards of CCL Products (India) Limited and NAVA Limited.

*Note: Mr Ravi Kumar Midathala completed his tenure and ceased to be a Director on June 28, 2025.

STRATEGIC FOCUS AREAS

STRATEGIC ACTIONS FOR LONG TERM SUCCESS

At Zen Technologies, our strategic focus areas are designed to ensure we remain at the forefront of the defence technology sector, continuously building a sustainable competitive edge in an evolving global landscape.

S1 Strengthening Research and Development Capabilities	We will continue to prioritise substantial investment in research and development as the foundation of our technological leadership. In FY25, we further committed ₹7,000 Lakhs to expand our R&D centre. This sustained focus on R&D has resulted in a robust portfolio of over 85 patents granted, and will accelerate the pace of innovation across our business. The expansion of our R&D infrastructure is set to further enhance our ability to deliver next-generation solutions and maintain our leadership in defence technology.
S2 Expanding Product Portfolio and Scope	Diversifying our product portfolio remains a core strategic focus. The integration of recent acquisitions including Applied Research International Private Limited, ARI Labs Private Limited, Vector Technics Private Limited, and Bhairav Robotics Private Limited has broadened our technological capabilities and enabled entry into new product portfolio across land, air, and maritime domains. These additions enable us to address a wider spectrum of defence requirements and unlock new growth opportunities, both domestically and internationally.
S3 Leveraging Intellectual Property	Our focus on intellectual property forms the foundation of our business model and sets us apart within the industry. By emphasising proprietary innovation, we safeguard our profitability against fluctuations in input costs. This approach establishes substantial barriers for new entrants and further consolidates our leadership position in the defence technology sector.
S4 Enhancing Export Potential	We are committed to expanding our international presence, particularly in the Middle East, Africa, America, Europe and CIS countries. Participation in global defence exhibitions has generated strong interest and new partnerships, positioning us to capture emerging export opportunities and further diversify our revenue streams.
S5 Capitalising on Regulatory Tailwinds	We are well-positioned to benefit from favourable government policies, including the aggressive implementation of the Buy Indian IDDM policy, positive indigenisation lists. These initiatives create an unprecedented ecosystem for indigenous innovation and manufacturing in the defence sector.

S6 Focusing on Training and Simulation	Training and simulation remain the cornerstone of our business. We are committed to advancing our virtual and live training solutions to meet the growing demand for tactical readiness, especially in light of recent global conflicts that highlight the importance of realistic and effective training.
S7 Advancing Counter-Drone Solutions	We continue to lead in the development of advanced counter-drone technologies, supported by early investments and alignment with government priorities on indigenous procurement. Our solutions are designed to address the rapidly evolving threat landscape and reinforce our position as a preferred partner for the Indian Armed Forces.
S8 Integration of Strategic Acquisitions	A key priority for the coming year is the seamless integration of our recent acquisitions. This will allow us to fully leverage new capabilities, drive operational synergies, and unlock additional growth across land, air, and maritime domains.
S9 Pursuing Inorganic Growth Opportunities	We will continue to actively evaluate strategic inorganic growth opportunities to further strengthen and diversify our portfolio. By identifying and integrating complementary businesses and technologies, we aim to accelerate our expansion, enhance our capabilities, and reinforce our position as a comprehensive defence technology provider.

ADVANCING SIMULATION FOR SUSTAINABLE DEFENCE

Zen Technologies Limited has established a reputation for rigorous, data-backed advancement of sustainability in the defence sector. In line with its vision to be a responsible and future-focused institution, Zen initiated a series of independent studies to evaluate and quantify the impact of simulator-based training on environmental and economic parameters.

Zen's sustainability initiatives have garnered recognition at the highest national levels. In late 2024, the Government of India's NITI Aayog hosted a landmark consultative workshop, where Zen's leadership and subject experts advocated for rapid, science-based policy action.

Comprehensive Assessment and Scientific Benchmarking

Building upon initial success, Zen and TERI advanced to a second phase study - "Indian Armed Forces and Environmental Sustainability: A Comprehensive Assessment of Simulators in Green Training." Thirteen different simulators and numerous ammunition categories were assessed for their full lifecycle environmental impact.

The studies presented India's first one-to-one reference scale linking ammunition consumption with corresponding simulation requirements. This scientific matrix not only determines current impact, but also projects future environmental and cost savings at varying

levels of simulator adoption, establishing a robust foundation for long-term policy and operational planning.

Strategic Investment in Capacity and Collaboration

Zen's commitment extends to institutionalising sustainability through the establishment of a Centre of Excellence for Green Training and Environmental Sustainability. This platform will serve as a national hub for:

- **Green technology education and skills development**
- **Industry and inter-agency research collaboration**
- **Dissemination of best practices to defence, police, and civilian domains**

Through such investments, Zen is ensuring that sustainable practices are systematically embedded in India's defence preparedness and aligned with broader national and international climate objectives.

Evidence-Led Transformation

In 2023, Zen engaged The Energy and Resources Institute (TERI) to undertake a comparative assessment of traditional field-mode versus simulator-based training. The study, launched on World Environment Day, measured carbon emissions, live ammunition usage, and lifecycle costs across core military training domains. The empirical findings provide a clear case for transitioning to simulation technologies:



103

Tonnes of carbon dioxide emissions reduced by a single light vehicle simulator over fifteen years.

1,919

Tonnes of carbon dioxide abated by each tank driving simulator over a thirty-year operational cycle.

3,676

Tonnes of carbon dioxide avoided with each field crew gunnery simulator over thirty years.

Such impactful reductions are coupled with significant cost benefits:

₹56 Lakh

Savings from one light vehicle simulator across fifteen years.

₹13,600 Lakh

Cumulative savings per tank driving simulator deployed over thirty years.

₹38,100 Lakh

Cost efficiency achieved by each field crew gunnery simulator over the same period.



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The global economy demonstrated significant resilience in 2024, expanding by 3.3% despite persistent inflationary pressures, restrictive monetary policy and widespread geopolitical instability [source: International Monetary Fund (IMF) World Economic Outlook, April 2025]. Developed nations benefited from resilient labour markets and steady demand for services, while countries like India continued to anchor growth among emerging economies.

Looking ahead, the IMF forecasts a moderation in global GDP growth to 2.8% in 2025 before showing a modest recovery to 3.0% in 2026. While growth in advanced economies

are expected to decelerate further and emerging and developing markets—particularly in Asia—are projected to maintain momentum at 3.7%. However, global risks remain high due to rising protectionism, regional conflicts, and fragmented trade channels.

Inflation trends have begun to stabilise, though unevenly. Advanced economies may see inflation hover around 2.5% in 2025, while developing nations could see it ease to 5.5% [source: OECD, March 2025]. Core inflation—especially in services—continues to challenge central banks, many of which are still treading cautiously.

While inflation is conventionally measured through consumer price indices, long-term erosion of purchasing power may be more effectively assessed through alternative benchmarks such as gold or Bitcoin. These reflections are gaining relevance as investors and policymakers evaluate the broader consequences of monetary expansion over the last decade.

MANAGEMENT DISCUSSION AND ANALYSIS

GEOPOLITICAL TENSIONS AND DEFENCE READINESS

Heightened geopolitical volatility has elevated the strategic importance of defence preparedness globally. For India, the evolving threat landscape ranging from cross-border incursions to drone-based and hybrid warfare has necessitated a shift towards continuous readiness. This has translated into sustained investments in platform modernisation, simulation-driven training, and indigenous counter-drone and surveillance solutions, reinforcing the Armed Forces’ ability to respond swiftly and effectively to emerging security challenges.

Sun Tzu captured this reality best when he wrote, “The art of war teaches us to rely not on the likelihood of the enemy’s not coming, but on our own readiness to receive him, not on the chance of his not attacking, but rather on the fact that we have made our position unassailable.” That principle is more relevant now than ever. Investing in continuous training and modern defensive systems—particularly those capable of neutralising drone threats—is no longer about maintaining superiority, it is about ensuring survival in a world where the cost of unpreparedness grows by the day.

GLOBAL DEFENCE INDUSTRY

In 2024, the global defence sector witnessed strong expansion, with military spending of \$2.718 trillion, reflecting a remarkable 9.4% increase from the previous year which is —one of the most significant annual escalations since the Cold War era (Source: Stockholm International Peace Research Institute, SIPRI Yearbook 2025).

This surge was not driven by any single flashpoint, but rather stemmed by a widespread reassessment of national security priorities across continents:

- The United States (U.S.) maintained its position as the largest spender with total military expenditure reaching \$997 billion.
- European Nations defence spending increased by 17%—largely due to the war in Ukraine.
- Asia-Pacific region contributed 22% of global military expenditure, with China alone allocating \$227 billion.

- Both Ukraine and Russia allocated large portions of GDP to defence: 43% and 7%, respectively, due to ongoing conflict.

The global defence landscape has transitioned from a reactive framework to a strategically driven, forward-looking model. Governments are committing to long-term investment on modernisation, domestic production, and next-generation systems. From AI integration to cyber resilience, the industry is undergoing a foundational shift in how threats are anticipated and addressed.

WHAT’S DRIVING THE DEFENCE BOOM

Several converging factors are shaping the sustained growth of the global defence sector:

- **Persistent Geopolitical Conflicts:** Wars in Eastern Europe, unrest in the Middle East, and friction in the Indo-Pacific continue to push nations toward urgent defence spending.
- **Depletion of Conventional Weapon Stockpiles:** Existing arsenals, especially for artillery and precision munitions, are being depleted faster than they can be replenished—forcing rapid procurement.
- **Next-Gen Equipment:** Many militaries are phasing out older systems and prioritising modern assets such as simulated training, drones, missile shields, and mobile armour. According to MarketsandMarkets (2025), the global airborne defence systems market alone is projected to grow to \$ 106.2 billion by 2025.
- **Technological Integration:** Emerging technologies—AI, autonomy, cyber warfare—are attracting unprecedented funding. Drone warfare in particular has transformed from niche to mainstream.
- **Localised Manufacturing:** Countries are building out domestic supply chains to reduce vulnerability and secure critical production lines. Policy frameworks such as the U.S. CHIPS Act, Europe’s Defence Industrial Strategy, and India’s Atmanirbhar Bharat are encouraging onshore manufacturing of critical defence equipment.

- **Economic Rationale:** Defence is now seen not just as a security imperative but also as a tool for driving innovation, exports, and industrial resilience.

MAJOR TRENDS SHAPING THE FUTURE OF DEFENCE

- **Artificial Intelligence and Autonomy:** AI is increasingly embedded into command systems, surveillance, and autonomous platforms, transforming how operations are planned and executed. Military-grade autonomy is no longer theoretical; it is operational in unmanned aerial, ground, and naval vehicles.
- **Cybersecurity:** Digital infrastructure is now a frontline concern. Governments are ramping up investments to guard against growing cyber threats. According to Allied Market Research, the global cybersecurity market for defence is projected to exceed \$ 50 billion by 2027.
- **Green Defence:** Militaries are beginning to factor in emissions, fuel efficiency, and alternative energy, aligning security goals with sustainability.
- **Immersive Training:** Augmented and virtual reality tools are improving combat readiness while cutting down on live training costs and wear on real equipment.

INDIAN ECONOMY

India maintained its position as the world’s fastest-growing major economy in FY25, with GDP projected at 6.5% as per the National Statistical Office (NSO), Second Advance Estimates, February 2025. This growth was driven by strong manufacturing output, services expansion, and continued investment in infrastructure and digital systems. Despite global headwinds, India’s macroeconomic fundamentals remain stable. Inflation is within the central bank’s tolerance band, the fiscal deficit is on a consolidation path, and foreign exchange reserves remain robust. Importantly, India has benefited from its diversified trade relationships, increased domestic manufacturing under the Atmanirbhar Bharat initiative, and growing participation in global value chains.



Looking ahead to FY26, the **Reserve Bank of India (RBI)** has projected real GDP growth at **6.5% (RBI Monetary Policy Statement, April 2025)**. The growth is expected due to stable inflation, rising incomes, and a normal monsoon are expected to support consumption in both rural and urban areas. Government Policy support—such as the Production-Linked Incentive (PLI) scheme and expanded digital services—will likely sustain India’s growth momentum even amid global uncertainty.

INDIA’S DEFENCE SECTOR: FROM IMPORTER TO EXPORTER

India’s defence sector is witnessing a significant structural shift, transitioning from an import-reliant framework to a domestically focused, innovation-led manufacturing ecosystem.

Overview of India’s Defence Sector

- The Union Budget for FY26 allocated ₹6.81 Lakhs Crore (~\$ 78.8 billion) to the Ministry of Defence, making it the largest allocation among all ministries.

- ₹1.80 Lakhs Crore has been earmarked for capital expenditure, of which 75% committed to domestic procurement, ensuring sustained demand for indigenous defence manufacturers. (Source: Ministry of Defence – Press Information Bureau (PIB) Release, February 2025)
- FY25, the defence production reached a record ₹1.46 lakh Crore, representing 15% increase from the previous year. (source: Ministry of Defence Annual Report 2024–25)
- Growth of Defence Exports soared to ₹23,622 Crore (~\$ 2.76 billion), a dramatic rise from ₹686 Crore in FY14 (Source: Department of Defence Production (DDP), MoD – Annual Export Data).

This transformation is being driven by targeted policy moves—from Positive Indigenisation Lists to relaxed FDI norms and the iDEX innovation scheme.

The Government aims to achieve ₹3 Lakhs Crore in defence production and ₹50,000 Crore in exports by 2029, signalling India’s emergence as a major player in the global defence supply chain. Achieving these targets will require sustained focus on R&D, advanced manufacturing, and skilled workforce development, supported by a strong and self-reliant industrial ecosystem.

SIMULATION: THE NEW STANDARD IN MILITARY TRAINING

Simulator-based training has emerged as a critical component of modern military preparedness, offering the Indian Armed Forces a cost-effective, scalable, and technology-enabled alternative to traditional field-based training. The Ministry of Defence has institutionalised simulator adoption through dedicated policy frameworks, with a focus on indigenous development, operational efficiency, environmental sustainability and combining self-reliance with innovation. The framework supports the development of simulators for key operational areas and encourages outsourcing maintenance to Indian firms, aligning with Atmanirbhar Bharat. This approach enhances training safety, and delivers realistic, high-fidelity combat readiness through advanced, repeatable simulation environments.

Advanced tools powered by AR, VR, and AI are transforming how soldiers prepare for combat. These technologies reduce the need for live equipment while offering highly realistic, scenario-based training environments. According to global defence market estimates, the defence simulation and training sector is expected to grow from \$ 13.7 billion in 2024 to \$ 21.1 billion by 2034, at a CAGR of 7.9%, with India positioned as a significant contributor to this growth

MANAGEMENT DISCUSSION AND ANALYSIS

DRONE WARFARE, AUTOMATED SYSTEMS AND THE NEED FOR COUNTERMEASURES

The increasing deployment of unmanned aerial systems (UAS) has fundamentally transformed the modern battlefield. Drones, once limited to surveillance tech, has quickly evolved into low-cost, high-impact strike capability, operational flexibility, and capacity for autonomous or remotely operated precision strikes. As a result, counter-drone systems are now vital to national defence strategies.

India’s counter-drone market is forecast to grow at a staggering 34.8% CAGR, with market size expected to reach \$430 million by 2030 (Source: Market Research Future, 2024). Several factors are fueling this growth:

- Ongoing breakthroughs in AI, sensor fusion and autonomous decision systems.
- Increased domestic R&D efforts supported by public and private investment.
- Strong government backing for indigenous solutions.

Modern counter-drone systems rely on layered defence—combining radar, radio frequency jamming, conventional weapons enhanced with

remote capabilities, cyber takeover, high powered microwaves, kinetic interceptors, and laser tech to detect, track, and neutralise threats. India’s emphasis on developing these systems domestically not only ensures security but also builds long-term industrial capability. These systems need to be tightly integrated with both soft-kill and hard kill options. We are advancing the nation’s capabilities in these crucial areas through cutting-edge innovation through self-funded R&D.

ABOUT THE COMPANY

Zen Technologies Limited, established in 1993, has evolved into a leading provider of advanced defence training solutions and counter-drone technologies within India’s rapidly expanding defence ecosystem. Headquartered in Hyderabad with strategic operations across India, UAE, and the United States, the company has transformed into a comprehensive defence technology provider addressing contemporary warfare requirements through cutting-edge simulation and security platforms.

The company’s core business offerings encompasses three primary verticals: training solutions including live ranges and virtual simulation systems, cutting-

edge counter-drone detection and neutralisation technologies, and advanced military hardware platforms including robotic surveillance systems and remote weapon stations.

Zen Technologies maintains an extensive portfolio of indigenously designed products ranging from tank crew gunnery simulators and containerised driving systems to comprehensive anti-drone solutions designed for border security and critical infrastructure protection.

The Company has established itself as an innovation leader through substantial research and development investments, maintaining an impressive portfolio of 85 patents globally. The company’s commitment to indigenous development aligns with India’s ‘Make in India’ and ‘Atmanirbhar Bharat’ initiatives.

With over 1,000 training systems deployed globally and ISO 9001:2015, ISO/IEC 27001:2022, and CMMI Maturity Level 5 certifications, Zen Technologies maintains operational excellence whilst establishing itself as a trusted partner for defence and security forces worldwide.

FINANCIAL PERFORMANCE REVIEW

Zen Technologies Limited delivered its strongest financial performance to date in FY25, achieving new records across revenue and profitability metrics. The company’s standalone revenue from operations stood at ₹93,066.72 Lakhs—reflecting an impressive 116% jump from ₹43,027.51 Lakhs in FY24. This sharp rise was largely driven by timely project execution, both in India and overseas, across its simulation and counter-drone portfolios.

Operating profits also witnessed robust growth. Operational EBITDA reached ₹32,310.17 Lakhs, representing a year-on-year growth of 79% year-on-year, translating to an operational EBITDA margin of 34.7%. Despite ramping up research & development (R&D) expenditure, Zen maintained strong margins supported by its scalable, IP-driven business model. Net profit (PAT) nearly doubled reaching ₹26,295.07 Lakhs in FY 25, as operational efficiencies and a leaner working capital cycle contributed to the bottom line.



During the year, , the Company raised ₹100,000 Lakhs through a Qualified Institutional Placement. The proceeds are being deployed to fund acquisitions and expand working capital—key steps to support future growth.

As of March 31, 2025, the company’s order book stood at ₹69,194.10 Lakhs, split between ₹42,239.52 Lakhs in equipment and ₹26,954.56 Lakhs in long-term service contracts. This strong pipeline supports ongoing momentum and business visibility into the next fiscal year.

In line with its innovation-led roadmap, the Company increased its R&D spend to ₹3,301.20 Lakhs in FY 25 from ₹2,665.34 Lakhs in FY 24. Additionally, the Company committed an incremental investment of ₹7,000 Lakhs to further enhance product development infrastructure, underscoring the company’s long-term innovation agenda.

KEY FINANCIAL RATIOS

Particulars	FY25	FY24	% Change	Remarks
Current Ratio (in times)	9.52	2.26	321.62%	The current ratio improved primarily due to increase in cash and cash equivalents from QIP funds raised
Debt-Equity Ratio (in times)	0.03	-	100.00%	The ratio has increased due to increase in borrowings.
Debt Service Coverage Ratio (in times)	18.99	23.28	-18.41%	NA
Return on Equity Ratio (in %)	24.55%	33.47%	-26.64%	The decrease is due to increase in equity from QIP issue
Inventory turnover ratio (in times)	4.93	1.70	190.57%	Increase in COGS which is commensurate with the increase in revenues during the year as resulted in higher inventory ratio
Trade Receivables turnover ratio (in times)	3.40	3.66	-7.05%	NA
Trade payables turnover (in times)	25.16	20.27	24.11%	NA
Net capital turnover ratio (in times)	0.77	1.34	-42.27%	Decrease in ratio is on account of increase in working capital.
Net profit ratio (in %)	28.25%	30.04%	-5.93%	NA
Return on Capital employed (in %)	20.78%	40.56%	-48.75%	The decrease is due to increase in equity from QIP issue
Return on Investment*	NA	NA	NA	NA

ACQUISITIONS DURING THE YEAR

In FY25, Zen Technologies took major steps to broaden its capabilities through targeted acquisitions across different defence verticals.

The headline acquisition was a 76% stake in Applied Research International Private. Limited. (ARIPL), a company with more than 1,000 installations across 50+ countries in naval and maritime simulation. This move allows Zen to diversify into the naval training space and tap into annuity-based software revenues.

The company also acquired a majority 51% stake in Vector Technics Private. Limited a startup focused on developing core components for drones. This strengthens Zen’s unmanned aerial vehicle (UAV) ecosystem integration with the objective to cut India’s dependency on foreign-sourced drone components.

A third strategic investment was in Bhairav Robotics Private Limited where Zen took a 45.33% stake. The startup specializes in AI-powered robotic warfare platforms. This acquisition accelerates Zen’s entry into autonomous land systems with access to advanced prototypes and ongoing R&D.

Each of these acquisitions aligns with Zen’s Make in India strategy and long-term vision of becoming a comprehensive, multi-domain defence tech provider.

OUTLOOK

Looking ahead, Zen Technologies is well-positioned to capitalise on rising global and domestic defence spending. The Company expects to see continued growth in demand for its training systems, drone technologies, and surveillance platforms, especially as governments

prioritise domestic manufacturing and technology self-reliance.

The recent acquisitions will begin contributing more meaningfully from FY26, particularly in broadening Zen’s reach across land, sea, and air-based defence domains. The ₹1,000 Crore capital raise provides the financial flexibility to pursue further strategic opportunities and respond quickly to evolving market demands.

Management remains optimistic about sustaining double-digit growth in the coming years, supported by a healthy order book, ongoing R&D, and strong alignment with national defence priorities.

MANAGEMENT DISCUSSION AND ANALYSIS



RISKS AND MITIGATION

Zen Technologies operates in a dynamic and highly regulated industry where innovation, competition, and regulatory changes can shape both opportunities and risks. The Company actively identifies and manages risks to ensure long-term sustainability.

Key risks and corresponding mitigation strategies include:

- R1

COMPETITIVE PRESSURE:

The global defence players often engage in aggressive pricing to win contracts. Zen mitigates this by focusing on product customisation, superior performance, and long-term service relationships, which differentiate the Company beyond price.
- R2

ECONOMIC HEADWINDS:

Macroeconomic slowdowns and fiscal tightening can impact defence budgets and delay procurement cycles. The Company's diversified product line and presence across multiple geographies reduce dependence on any single economy.
- R3

UNCERTAIN ORDERS:

Developing client-specific systems without confirmed orders can affect cash flow. Zen addresses this by securing milestone-based agreements and maintaining close collaboration with clients throughout the development process.
- R4

PROCUREMENT CHALLENGES:

Government contracts often prioritise the lowest bidder, which may not reflect quality and lifecycle value. Zen invests in cost optimisation while delivering superior value to remain competitive.
- R5

SUPPLY CHAIN DISRUPTIONS:

Global Component shortages, shipping constraints, or geopolitical issues can delay production. To mitigate this, the company has developed a resilient supplier network and contingency planning strategies.
- R6

TECHNOLOGY SHIFTS:

Rapid innovation in defence tech may poses a risk of obsolescence. Zen counters this with continuous investment in next-generation R&D, agile product development practices and collaborates with academic and industry partners to stay at the forefront of technological relevance.
- R7

CYBERSECURITY

As a developer of defence-grade technologies, Zen operates in a threat-sensitive environment. The Company maintains robust cybersecurity protocols, undertakes periodic audits, implements ISO/IEC 27001:2022 standards, and ensures regular staff training to safeguard sensitive data and intellectual property.
- R8

TALENT RETENTION

Specialised talent is crucial to product development. Zen fosters a strong internal culture, offers growth opportunities, and ensures succession planning to retain and develop its workforce.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

People are central to Zen Technologies' success. In FY25, the Company continued investing in its workforce by offering skill-building programmes and leadership development tracks. These efforts are designed to prepare employees for the demands of an evolving defence technology landscape.

As of March 31, 2025, Zen employed more than 395 professionals across various domains including engineering, systems design, manufacturing, and customer support. The company has worked hard to build a culture of collaboration, innovation, and operational discipline.

Zen also places a strong emphasis on maintaining constructive industrial relations and open lines of communication with all stakeholders. This proactive approach ensures a motivated workforce aligned with strategic goals.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Zen Technologies has implemented a robust internal control system designed to support the scale and complexity of its growing operations. This framework ensures accountability, financial discipline, and compliance with applicable regulations.

The internal control environment is anchored on the following core element:

- A well-defined organisational structure with clearly assigned roles, responsibilities, and reporting hierarchies;
- Documented policies and standard operating procedures that govern key financial, operational, and compliance-related activities;
- Quarterly internal audits conducted by an independent internal audit function to assess control effectiveness, identify gaps, and recommend improvements;
- Oversight by the Audit Committee of the Board, which monitors the implementation of audit findings on quarterly basis and ensures timely corrective actions.

In FY25, the Company conducted a comprehensive review of its financial controls and concluded that the internal controls were adequate and operating effectively, with no material weaknesses identified. The Board and senior management remain committed to ensuring transparency and operational integrity across the organisation.

CAUTIONARY STATEMENT

This report contains forward-looking statements based on current expectations, assumptions, and projections about future events. These statements involve risks and uncertainties that could cause actual results to differ materially.

Readers are advised to consider these factors carefully. Zen Technologies is under no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments, or otherwise.

While the Company remains confident in its strategy, it acknowledges that external factors—such as global economic conditions, regulatory changes, or technological disruptions—may impact performance in unpredictable ways.



Corporate Information

CIN

L72200TG1993PLC015939

BOARD OF DIRECTORS

Mr. Ashok Atluri

(DIN: 00056050)

Chairman and Managing Director

Mr. Kishore Dutt Atluri

(DIN: 09691242)

President and Joint Managing Director

Mr. Ravi Kumar Midathala

(DIN: 00089921)

Whole Time Director

Mrs. Shilpa Choudari

(DIN: 06646539)

Whole Time Director

Dr. Ravindra Kumar Tyagi

(DIN: 01509031)

Non-Executive Independent Director

(Upto 31.03.2025)

Dr. Ajay Kumar Singh

(DIN: 08532830)

Non-Executive Independent Director

Mr. Sanjay Vijay Singh Jesrani

(DIN: 02306916)

Non-Executive Independent Director

Ms. Sirisha Chintapalli

(DIN: 08407008)

Non-Executive Independent Director

Mr. Durga Prasad Kode

(DIN: 07946821)

Non-Executive Independent Director

(w.e.f. 28.03.2025)

CHIEF FINANCIAL OFFICER

Mr. Afzal Harunbhai Malkani

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sourav Dhar

REGISTERED OFFICE

B-42, Industrial Estate,
Sanathnagar, Hyderabad - 500018,
Telangana, India.

Phone: +91-40-23813281, 23812894

Fax: +91-40-23813694

Email id: info@zentechnologies.com

Website: www.zentechnologies.com

BRANCH OFFICE

(Software Division and AI Development Centre)

D. No: 2-91/77/2/ST/11&12,

Signature Towers, Opp. Botanical Gardens,

Kondapur, Serilingampally, Hyderabad,

Telangana - 500084, India.

MANUFACTURING & PRODUCTION FACILITY (WORK UNIT)

Plot No. 34 part (35, 36 and 37), Hardware Park,

Kancha Imarat, Near Ravirala Village, Maheswaram,

Near Shamshabad International Airport,

Telangana - 501510, India.

STATUTORY AUDITORS

M/s. Ramasamy Koteswara Rao and Co LLP

(FRN: 010396S/S200084)

Chartered Accountants

Hyderabad

SECRETARIAL AUDITORS

M/s. P. S. Rao & Associates

(FRN: P2001TL078000)

Company Secretaries

Hyderabad

COST AUDITORS

M/s. M P R & Associates

(FRN: 000413)

Cost Auditors

Hyderabad

INTERNAL AUDITORS

M/s. NSVR & Associates LLP

(FRN: 8801S/S200060)

Chartered Accountants

Hyderabad

BANKER

HDFC Bank Limited

Indian Bank

Axis Bank Limited

Export Import Bank of India

ICICI Bank Limited

Bajaj Finance Limited

REGISTRAR AND SHARE TRANSFER AGENTS

KFin Technologies Limited

Unit: Zen Technologies Limited

Selenium Tower B, Plot No 31 & 32,

Gachibowli, Financial District, Nanakramguda,

Serilingampally Mandal, Hyderabad - 500 032

Telangana, India.

Toll free number - 1800-309-4001

Email id: einward.ris@kfintech.com

LISTED WITH

BSE Limited, Mumbai (BSE)

National Stock Exchange of India Limited, Mumbai (NSE)

Notice

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NOTICE is hereby given that the **32nd Annual General Meeting** ("AGM") of the members of Zen Technologies Limited ("the Company") will be held on **Saturday, August 23, 2025, at 9:30 A.M. (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business(s):

ORDINARY BUSINESS:

Item No.1: To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, the Report of the Auditors' thereon and the Report of the Board of Directors and in this regard, pass the following resolutions as an Ordinary Resolutions:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, the Report of the Auditors' thereon and the Report of the Board of Directors be and are hereby received, considered and adopted."

Item No.2: To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 and the Report of the Auditors' thereon and in this regard, pass the following resolutions as an Ordinary Resolutions:

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, and the Report of the Auditors thereon be and are hereby received, considered and adopted."

Item No.3: To declare final dividend on equity shares for the financial year ended March 31, 2025, and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT a final dividend at the rate of 200% i.e. ₹ 2.00 per fully paid-up Equity Shares of face value of ₹ 1 each of the Company, as recommended by the Board of Directors be and is hereby approved for the financial year ended March 31, 2025."

Item No.4: To appoint a director in place of Mrs. Shilpa Choudari (DIN: 06646539), who retires by rotation and being eligible, offers herself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013, Mrs. Shilpa Choudari (DIN: 06646539), who retires by rotation at this annual general meeting and being eligible offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

Item No.5: Ratification of remuneration payable to Cost Auditors for the financial year 2025-26:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. M P R & Associates., Cost Accountants (Firm Reg No: 000413), appointed by the Board of Directors, on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct audit of cost records of the Company, for the financial year ending March 31, 2026, amounting to ₹ 1,25,000 (Rupees One Lakh Twenty Five Thousand Only) plus applicable taxes and out of pocket expenses at actuals, in connection with the aforesaid audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question or difficulty in connection herewith and incidental hereto."

Item No. 6: Appointment of Secretarial Auditor of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded for appointment of M/s. P.S.Rao & Associates, Practicing Company Secretaries (Firm Registration No. P2001TL078000) as the Secretarial Auditor of the Company for a term of five (5) consecutive years, commencing on April 01, 2025, until March 31, 2030, to conduct a Secretarial Audit of the Company and to furnish the Secretarial Audit Report.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix the annual remuneration plus applicable taxes and out-of-pocket expenses payable to them during their tenure as the Secretarial Auditors of the Company, as determined by the Audit Committee in consultation with the said Secretarial Auditors.

Place: Hyderabad
Date: May 17, 2025

CIN: L72200TG1993PLC015939

Registered Office:

B-42, Industrial Estate, Sanathnagar,
Hyderabad-500018, Telangana, India.
Tel.: +91 40 23814894 Fax: +91 40 23813694
Email id: cosec@zentechnologies.com
Website: www.zentechnologies.com

Notes:

- The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') and the rules made thereunder setting out the material facts and reasons for the proposed resolutions is annexed to the Notice of the 32nd Annual General Meeting (AGM). Further, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India the relevant details with respect to 'Director seeking appointment and re-appointment at this AGM' are also provided as **Annexure - A**.
- The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 14/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022, 10/2022, 09/2023 and 09/2024 dated 8th April 2020, 5th May 2020, 13th January 2021, 8th December 2021, 14th December 2021, 5th May 2022, 28th December 2022, 25th September 2023 and 19th September 2024, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, to conduct AGM through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October 2024 has provided certain relaxations from compliance with certain regulations of the SEBI Listing Regulations. In compliance with aforesaid MCA Circulars, aforesaid SEBI Circular, provisions of the Act and the SEBI Listing Regulations, the 32nd AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company situated at B-42, Industrial Estate, Sanathnagar, Hyderabad -500018, Telangana, India.
- The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with KFin Technologies Limited (Kfintech) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by Kfintech. The detailed instructions for e-voting and attending the 32nd AGM through VC/ OAVM are given as an attachment to this Notice.
- The statutory registers including Register of Directors and Key Managerial Personnel and their shareholding, the

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question or difficulty in connection herewith and incidental hereto."

**By Order of the Board
For Zen Technologies Limited**

Sourav Dhar
Company Secretary & Compliance Officer
M. No.: ACS 63455

Register of Contracts or Arrangements in which Directors are interested, maintained under the Act and the Certificate from the Secretarial Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available for inspection by the members during the 32nd AGM. All documents referred to in the Notice and Explanatory Statement will be available for inspection in electronic mode from the date of circulation of this Notice up to the date of the 32nd AGM. Members who wish to inspect the register are requested to write to the Company by sending e-mail to cossec@zentechnologies.com.

6. In accordance with the aforesaid Circulars, the Notice of the 32nd AGM along with the Annual Report for the financial year 2024-25, has been sent only through electronic mode to the members who have registered their e-mail addresses with the Company/Depository Participants/Company's Registrar and Transfer Agent ("RTA"). The Notice of 32nd AGM and Annual Report are also available on the Company's website at www.zentechnologies.com, on the website of the Stock Exchanges, i.e. BSE Limited ("BSE") at www.bseindia.com and National Stock Exchange of India Limited ("NSE") at www.nseindia.com and on the website of KFin Technologies Limited at <https://evoting.kfintech.com>. Physical copy of the Notice of the 32nd AGM and the Annual Report for the year ended March 31, 2025 has not been sent to the members.

A letter containing the web-link and QR code to access the Annual Report for financial year 2024-25 is being sent separately to the shareholders whose email addresses are not registered with the Company/Depository Participants(DPs)/Registrar and Share Transfer Agent.

7. To support the 'Green Initiative', members who have not yet registered their e-mail address are requested to register the same with their Depository Participants ('DP') in case the shares are held in dematerialized form and with the Company/KFintech in case the shares are held in physical form.
8. The Company has notified closure of Register of Members and Share Transfer Books from August 16, 2025 to August 23, 2025 (both days inclusive) for determining the names of member(s) eligible for dividend on Equity Shares, if declared at the Meeting.

DIVIDEND RELATED INFORMATION:

9. The Board has recommended the final dividend of ₹ 2 per equity share of ₹ 1 each if declared at the meeting, will be paid to those members whose names appear in the Company's register of members after effecting valid transfers received upto the close of business hours on August 23, 2025, subject to deduction of tax at source pursuant to Finance Act, 2020. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details provided as at the close of business hours on August 15, 2025, by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited ("CDSL") for this purpose. The dividend on equity shares, if declared at the meeting, will be credited/dispatched within 30 days from the date of this meeting.

10. Members are requested to note that, pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the members of the Company w.e.f. April 1, 2020, and the Company is required to deduct tax at source ("TDS") on dividend to be paid to the members at rates prescribe in the Income Tax Act, 1961. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed ₹ 10,000.

DIVIDEND IN CASE OF NON KYC COMPLIANT FOLIOS:

11. Shareholders are requested to note that pursuant to the SEBI circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) were not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number; Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.

Shareholders are requested to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs. The forms can be downloaded from the website of the RTA i.e. <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.

12. Members whose shareholding is in electronic mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time and to promote green initiative, members who have not registered their email addresses are requested to register the same with their Depository Participants, in case the shares are held by them in electronic form and with KFintech, in case the shares are held by them in physical form.
13. Members holding shares in electronic mode are:
 - a. Requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.
 - b. Advised to contact their respective DPs for registering nomination.
14. Members holding shares in physical mode are:
 - a. Required to submit their Permanent Account Number (PAN) and bank account details to the Company/KFintech, if not registered with the Company/KFin, as mandated by the SEBI by writing to the Company at cossec@zentechnologies.com or to KFin at inward.ris@kfintech.com along with the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
 - b. Advised to register nomination in respect of their shareholding in the Company.

15. Non-Resident Indian members are requested to inform KFin/respective DPs, immediately for:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
16. Members are requested to address all correspondence, including on dividends, to the Registrar and Share Transfer Agents, KFin Technologies Limited, Unit: Zen Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032.

IEPF RELATED INFORMATION:

17. The unclaimed equity dividend for the year ended March 31, 2018, will be transferred in the month of November, 2025, to the "Investor Education and Protection Fund (IEPF)" on expiry of 7 years from the date of transfer to the Unpaid Dividend Account, pursuant to Section 124 of the Companies Act, 2013. Members who have not encashed their dividend warrants for the said financial year or subsequent year(s) are requested to send the same to the Company or its Registrars and Share Transfer Agents ("RTA") for issue of fresh demand drafts.
18. Pursuant to the provisions of Section 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amended Rules, 2017 ("the IEPF Rules"), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more (relevant shares) upto and including the financial year 2016-17 were transferred by the Company in the name of IEPF from time to time as prescribed by the Act and rules made thereunder and the statement containing such details as may be prescribed is placed on Company's website at: <https://www.zentechnologies.com/unpaid-unclaimed-dividend>

VOTING RESULTS:

19. The Board of Directors has appointed Mr. D. S. Rao, Practicing Company Secretary (M.No: A12394) as the 'Scrutinizer' to scrutinize the remote e-voting process and voting during the AGM in a fair and transparent manner.
20. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by him after completion of scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting). The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, RTA, and will also be displayed on the Company's website at: <https://www.zentechnologies.com>.

OTHER INFORMATION:

21. Members can avail the facility of nomination in respect of securities held by them in physical form pursuant to the provision of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed form duly filled-in to Kfintech. Members holding shares in electronic mode may contact their

respective Depository Participant (DP) for availing this facility.

22. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars and Share Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio. A consolidated share certificate will be issued to such members after making requisite changes.
23. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number (PAN) either at the time of opening of the account or subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no. MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details.
24. The Company is in compliance with the SEBI circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated August 11, 2023, read with other relevant circulars regarding Online Dispute Resolution ("ODR") and the web-link for the same is made available on the website of the Company at <https://www.zentechnologies.com/investors>

RETIREMENT OF DIRECTORS BY ROTATION:

25. Mrs. Shilpa Choudari (DIN: 06646539) Whole Time Director of the Company, retires by rotation at the ensuing annual general meeting and, being eligible, offers herself for re-appointment. The Board of directors recommends the re-appointment of Mrs. Shilpa Choudari as a Director, liable to retire by rotation.

PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING:

- i. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process.
- ii. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, in relation to e-Voting facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the eVoting services provided by

KFin, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	9.00 a.m. (IST) on Wednesday, August 20, 2025
End of remote e-voting	5.00 p.m. (IST) on Thursday, August 22, 2025

- v. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, August 15, 2025.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the notice and holding shares as of the cut-off

date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he/she is already registered with KFinTech for remote e-voting then he/she can use his/her existing User ID and password for casting vote.

- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode".
- viii. The details of the process and manner for remote e-voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3: Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

DETAILS ON STEP 1 ARE MENTIONED BELOW:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1 User already registered for IDeAS facility: a) Visit URL: https://eservices.nsdl.com b) Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. c) On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" d) Click on Company name or e-Voting service provider and you will be redirected to e-Voting service provider website for casting the vote during the remote e-Voting period.
	2 User not registered for IDeAS e-Services: a) To register click on link: https://eservices.nsdl.com b) Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c) Proceed with completing the required fields. d) Follow steps given in points 1.
	3 Alternatively by directly accessing the eVoting website of NSDL: a) Open URL: https://www.evoting.nsdl.com/ b) Click on the icon "Login" which is available under 'Shareholder/Member' section. c) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. d) Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. KFin.

Type of shareholders	Login Method
	e) On successful selection, you will be redirected to KFin e-Voting page for casting your vote during the remote eVoting period. f) Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	1 Existing user who have opted for Easi/Easiest: a) Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com b) Click on New System Myeasi. c) Login with your registered user id and password. d) The user will see the e-voting menu. The menu will have links of ESP i.e. KFin e-voting portal. e) Click on e-Voting service provider name to cast your vote. 2 User not registered for Easi/Easiest: a) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration b) Proceed with completing the required fields. c) Follow the steps given in point 1. 3 Alternatively, by directly accessing the e-voting website of CDSL: a) Visit URL: www.cdslindia.com b) Provide your demat Account Number and PAN. c) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. c) After successful authentication, user will be provided links for the respective ESP, i.e., Kfintech where the e-Voting is in progress.
Individual shareholder login through their demat accounts/website of Depository Participant	1) You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility. 2) Once logged-in, you will be able to see e-Voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3) Click on options available against Company name or e-Voting service provider – KFin and you will be redirected to e-Voting website of KFin for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot user ID and Forgot Password option available at respective websites. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

DETAILS ON STEP 2 ARE MENTIONED BELOW:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode:

- A. Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
 - i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/login.aspx>
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 9000, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Zen Technologies Limited-AGM' and click on "Submit".
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to cast its vote through remote e-Voting and e-Voting conducted during the AGM. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id rao_ds7@yahoo.co.in with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name - Event No".
- B. Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
 - i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFin, by accessing the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>

Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
 - ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
 - iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

DETAILS ON STEP 3 ARE MENTIONED BELOW:**III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting:**

- i. Member will be provided with a facility to attend the AGM through VC/OAVM platform provided by KFin. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFin. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/OAVM shall open at least 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC/OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/send their queries in advance mentioning their name, demat account number/folio number, email id, mobile number at cosec@zentechnologies.com. Questions/queries received by the Company till August 20, 2025, shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC/OAVM shall be available for at least 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM.

OTHER INSTRUCTIONS:

- i. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFin. On successful login, select 'Speaker Registration' which will open from 9.00 a.m. (IST) on Monday, August 18, 2025 to 5.00 p.m. (IST) on Wednesday, August 20, 2025. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- ii. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or write at evoting@kfintech.com or inward.ris@kfintech.com or call KFinTech's toll free No. 1-800-309-4001 for any further clarifications.
- iii. The Members, whose names appear in the register of members/list of Beneficial Owners as on the close of Friday, August 15, 2025, being the cut-off date, are entitled to vote on the resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- iv. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - a) If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number and Folio No. or DP ID Client ID to 9212993399.
 - Example for NSDL: MYEPWD <SPACE> IN12345612345678
 - Example for CDSL: MYEPWD <SPACE> 1402345612345678
 - Example for Physical: MYEPWD <SPACE> XXXX1234567890
 - b) If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c) Members who may require any technical assistance or support before or during the AGM are requested to contact KFin at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH THE RULES MADE THEREUNDER:

Item No.5: Ratification of remuneration payable to Cost Auditors for the financial year 2025-26:

Pursuant to Section 148 and other applicable provisions if any of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records conducted by a cost accountant in practice.

The Board, on the recommendation of the Audit Committee, at its meeting held on May 17, 2025, approved the appointment and remuneration payable to the cost auditors, M/s. M P R & Associates, Cost Accountants (Firm Reg. No: 000413), Hyderabad, to conduct the audit of the cost records of the Company for the financial year 2025-26, at a remuneration of ₹ 1,25,000 plus applicable taxes and out of pocket expenses, at actuals in connection with the aforesaid audit.

M/s. M P R & Associates, Cost Accountants (Firm Reg. No: 000413), Hyderabad, have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors needs to be ratified by the members of the Company. Accordingly, consent of the members is being sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2025-26.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the 32nd AGM.

Accordingly, the Board of Directors recommends aforesaid matter to the members for their approval by way of an Ordinary Resolution as set out at Item No. 5 of the accompanying Notice of the 32nd AGM.

Item No. 6: Appointment of Secretarial Auditor of the Company:

In accordance with the provisions of Section 204 and other applicable provisions if any of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, ("the Act") and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), M/s. P S Rao & Associates, Practising Company Secretaries (Firm Registration Number - P2001TL078000) has served as Secretarial Auditors of the Company for the financial year 2024-25.

In terms of Regulation 24A of SEBI Listing Regulations read with SEBI notification dated December 12, 2024, and other applicable provisions, shareholders' approval is required for matter of Secretarial Auditors. Further, such Secretarial Auditor must be a peer reviewed Company Secretary from Institute of Company Secretaries of India (ICSI) and should not have incurred any of the disqualifications as specified by SEBI.

The maximum tenure of the Secretarial Auditor in case it is a firm shall not be for not more than two (2) terms of five (5) consecutive years.

M/s P. S. Rao & Associates, a firm of Practising Company Secretaries, was founded in 1994 by Mr. P. S. Rao, B.Com., ACS. Over the years, the Firm has established a strong reputation for providing secretarial, legal, and consultancy services to a wide spectrum of listed and unlisted companies. Supported by a team of competent professionals, both qualified and semi-qualified, the Firm has built significant expertise in matters relating to the Companies Act, SEBI regulations, Stock Exchanges, and FEMA. With over three decades of expertise, the Firm has a proven track record in handling mergers, acquisitions, takeovers, demergers, and corporate restructurings, ensuring compliance with the provisions of the Companies Act, 2013, Income Tax laws, and SEBI Regulations. The Firm offers a comprehensive suite of corporate services, including secretarial, legal, general consultancy, and capital market advisory, catering to diverse companies and business groups on both turnkey and retainership engagements.

Taking into account the above requirements, along with an evaluation of proposals received by the Company and the consideration of factors such as technical skills, independence, industry experience, expertise, audit partners, audit team, quality of audit practices, and past association with the Company, the Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. P S Rao & Associates, Practising Company Secretaries as Secretarial Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of this 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting of the Company to be held in the Year 2030, covering the period from the financial year ending on March 31, 2026 till financial year ending March 31, 2030, subject to the approval of the members of the Company.

The Board of Directors in consultation with the Audit Committee and M/s. P S Rao & Associates, fixed the remuneration payable for the financial year 2025-26 at ₹ 1,50,000 (Rupees One Lakh Fifty Thousand Only), plus any out of pocket expenses incurred by them in connection with the audit and other applicable taxes.

The Company has received written consent from M/s. P S Rao & Associates confirming their eligibility and willingness to be appointed as the Secretarial Auditors of the Company. They have also confirmed that they meet the requirements to be appointed as Secretarial Auditors in accordance with the provisions of the Act and SEBI Listing Regulations, and they hold a valid certificate issued by the Peer Review Board of ICSI and that they have not incurred any of the disqualifications as specified by the SEBI. The partners of M/s. P S Rao & Associates, who are Peer Reviewed Company Secretaries, are authorized to act and sign on behalf of the firm.

The appointment, if made, complies with the applicable provisions of the Act and SEBI Listing Regulations. The Board of Directors in consultation with the Audit Committee and M/s. P S Rao & Associates, may alter or vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the 32nd AGM.

Accordingly, the Board of Directors recommends aforesaid appointment to the members for their approval by way of an Ordinary Resolution as set out at Item No. 6 of the accompanying Notice of the 32nd AGM.

Place: Hyderabad
Date: May 17, 2025

**By Order of the Board
For Zen Technologies Limited**

Sourav Dhar
Company Secretary & Compliance Officer
M. No.: ACS 63455

CIN: L72200TG1993PLC015939

Registered Office:

B-42, Industrial Estate, Sanathnagar,
Hyderabad-500018, Telangana, India.
Tel.: +91 40 23814894 Fax: +91 40 23813694
Email id: cosec@zentechnologies.com
Website: www.zentechnologies.com

Annexure - A

Details of Directors seeking appointment/re-appointment at the 32nd Annual General Meeting

(Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2)

Name of the Director	Mrs. Shilpa Choudari
Director Identification Number (DIN)	06646539
Age	44 years
Qualification	A Bachelors Degree of Technology from JNTU and a Master's degree from Badruka Institute of Foreign Trade with specialisation in Finance and Foreign Trade.
Date of first appointment on the Board	November 01, 2020
Relationship between Directors, Manager and other Key Managerial Personnel inter se	Mrs. Shilpa Choudari is spouse of Mr. Ashok Atluri (Chairman and Managing Director of the Company).
Brief Profile and Expertise in specific functional area	Mrs. Shilpa Choudari was with HDFC Bank as a Personal Banker where she worked for a year. She also worked as Research Associate and AGM Sales and Marketing for Zen Technologies Limited from 2009 to 2015 and hence has deep knowledge of Zen's products, processes and work culture. Before joining Zen Technologies Limited, Shilpa worked for ICFAI Research Centre from 2007 to 2009 wherein she published many articles in over 10 books on different subjects.
Terms and Conditions along with details of remuneration sought to be paid	As per the resolution passed by the shareholders at their meeting held on September 16, 2023.
Last Remuneration drawn (₹ In Lakhs)	₹ 59.85
Directorships held in other Companies	1. Anvizen Consultants Private Limited 2. Vensam Infrastructure (India) Private Limited 3. Unistring Tech Solutions Private Limited
Committee position held in other companies	Nil
Listed entities from which the Director has resigned from Directorship in last 3 (three) years	Nil
Shareholding in the company as on March 31, 2025	Nil
Number of Board meetings attended during FY2024-25	4 out of 4 in FY 2024-25

Director's Report

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Dear Members,

The Board of Directors presents the Company's Thirty Second Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2025.

FINANCIAL HIGHLIGHTS

The financial highlights of the Company are as follows:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2024-25	2023-24	2024-25	2023-24
Total Income	103,202.71	45,477.46	98,845.16	44,420.54
Total Operating Expenditure	60,011.77	25,906.89	61,694.63	25,304.37
Operating Profit (PBIDT)	43,190.94	19,570.57	37,150.53	19,116.17
Less: Interest	1,037.56	228.13	942.08	184.05
Less: Depreciation & Amortization	1,541.37	967.96	1,009.40	732.05
Add/Less: Exceptional Items	-	240.90	-	240.90
Share of Profit/(Loss) of Associates and Joint Venture	(4.62)	-	-	-
Profit/(Loss) before tax	40,607.39	18,615.39	35,199.05	18,440.96
Current Tax	11,170.59	3,664.93	9,443.00	3,523.53
Prior Period Taxes	22.69	-44.68	22.69	-
Deferred Tax	-519.35	2,044.70	-561.71	1,993.99
Net Profit after Tax	29,933.46	12,950.44	26,295.07	12,923.46
Add: Other Comprehensive Income/(Expense)	-256.62	54.75	-143.29	-55.97
Total Comprehensive income	29,676.84	13,005.19	26,151.78	12,867.49
Earnings per Share (₹) (face value ₹ 1 per share) Basic:	32.07	15.45	30.09	15.61
Diluted:	32.07	15.34	30.09	15.51

The Company's operations have been further discussed in detail in the Management Discussion and Analysis Report.

HIGHLIGHTS OF PERFORMANCE

Your Company recorded net sales of ₹ 93,066.72 Lakhs in FY 2024-25, against ₹ 43,027.51 Lakhs in the previous year, registering a 116 per cent year-on-year growth. Your Company has delivered a robust growth in profits. EBITDA grew to ₹ 37,150.54 Lakhs, up from ₹ 19,116.17 Lakhs in FY 2023-24, marking a robust 93.63 per cent year-on-year growth. The EBITDA margin stood at 38 per cent, demonstrating improved operational leverage and cost efficiency. The profit before tax for the year was ₹ 35,199.05 Lakhs compared with ₹ 18,440.96 Lakhs in the previous year, which is a 90.87 per cent year-on-year increase.

DIVIDEND

In view of the overall performance of the Company, while retaining capital to support future growth and in line with the Dividend Distribution Policy, the Board at its meeting held on May 17, 2025, recommended a final dividend of ₹ 2 per equity share of ₹ 1 each fully paid (i.e., 200% of the face value), subject to the approval of members at the ensuing 32nd Annual General Meeting (the "AGM"). The dividend, if approved at the AGM will be paid to those members whose names appear on the register of members of the Company as of end of the day on

August 15, 2025 ("Record Date"). The total dividend payout will be approximately ₹ 1,800 Lakhs (including tax). In terms of the provisions of the Income Tax Act, 1961, dividend income is taxable in the hands of the members, and therefore will be subject to deduction of applicable tax.

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Dividend Distribution Policy, is available on the Company's website at https://www.zentechnologies.com/investor_relations/zen-dividend-distribution-policy.pdf

TRANSFER TO RESERVES

The Company has not transferred any amount to reserves during the year under review.

SHARE CAPITAL

The Authorized Share Capital of the Company is ₹ 2,000 Lakhs divided into 20,00,00,000 equity shares of ₹ 1 each. During the year under review, there has been no change in the Authorized Share Capital.

During the year under review, pursuant to the approval of shareholders by way of postal ballot on March 08, 2024, the

Company had allotted 62,46,096 equity shares of face value of ₹ 1 each to Qualified Institutions Buyers (QIBs) at ₹ 1,601 per equity share aggregating to ₹ 1,00,000 Lakhs.

Accordingly, there was an increase in paid up share capital by ₹ 62.46 Lakhs, consequent to allotment of shares to QIBs. Total paid up share capital of the Company as on March 31, 2025 was ₹ 902.90 Lakhs.

EMPLOYEE STOCK OPTION (ESOP) SCHEME

The Company has implemented "Zen Technologies Limited Employee Stock Option Plan-2021" ("ESOP-2021 Scheme") and the Company has made grants under ESOP-2021 Scheme to the eligible employees of the Company. The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the ESOP-2021 Scheme. There has not been any material change in the ESOP-2021 Scheme during the financial year under review. The ESOP-2021 Scheme and its implementation is in line with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations") as amended thereof.

The disclosures pursuant to SEBI (SBEB & SE) Regulations is hosted and available on the Company's website and

the same is available for electronic inspection by the Members during the AGM. The web-link for the same is <https://www.zentechnologies.com/general-meeting-notice>.

Further, a certificate from the Secretarial Auditors of the Company as prescribed under SEBI (SBEB & SE) Regulations shall be placed before the members in the AGM.

QUALIFIED INSTITUTIONAL PLACEMENT(S)

During the year under review, the Company raised ₹ 1,00,000 Lakhs through a Qualified Institutions Placement (QIP). Pursuant to the approval of the Board in its meeting held on January 27, 2024 and the approval of the Members of the Company through postal ballot on March 08, 2024, the Company had issued and allotted 62,46,096 Equity Shares of face value ₹ 1 each at a price of ₹ 1,601 per equity share, including a premium of ₹ 1,600 per Equity Share aggregating to ₹ 1,00,000 Lakhs to Qualified Institutional Buyers on August 23, 2024.

DEPOSITS FROM PUBLIC

During the year under review, the Company did not accept any deposits from the public within the ambit of Section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof) for the time being in force.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Details of subsidiary and associate companies as on March 31, 2025 are tabulated below:

S.No	Name of the Company	% shareholding	Subsidiary/Associate
1	Unistring Tech Solutions Private Limited	51	Subsidiary
2	Zen Technologies USA, Inc	100	Subsidiary
3	Zen Medical Technologies Private Limited	100	Subsidiary
4	Zen Defence Technologies L.L.C, UAE	99	Subsidiary
5	AiTuring Technologies Private Limited	51	Subsidiary
6	Applied Research International Private Limited*	76	Subsidiary
7	ARI Labs Private Limited*	100	Subsidiary
8	Bhairav Robotics Private Limited*	45.33	Associate
9	Vector Technics Private Limited*	51	Subsidiary

* Acquired during the year under review

Further no subsidiary Company ceased to be the subsidiary of the Company during the year under review. There are no joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website at <https://www.zentechnologies.com/policies-and-code-of-conduct>

CONSOLIDATED FINANCIAL STATEMENTS

In line with the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the Company's subsidiaries and associates in Form AOC-1 have been provided in **Annexure I** to this Report. This form highlights the financial performance of each subsidiary and associate Company and their contribution to the Company's overall performance as required by Rule 8(1) of the Companies (Accounts) Rules, 2014.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company,

including the consolidated financial statements, along with the relevant documents and the separate audited financial statements in respect of subsidiaries are made available on the website of the Company at <https://www.zentechnologies.com/investor-information>.

Brief details of the performance of the subsidiaries of the Company are given below:

Unistring Tech Solutions Private Limited

Unistring Tech Solutions Private Limited (UTS) is a material subsidiary of the Company and is engaged in the business of design and development of various products in Electronic Warfare (EW), Communication and RADAR applications. UTS offers services to Government and private clients in the area of EW systems (ESM, COMINT, ELINT & Jammers), RADARs, Drone based EW systems, command links, EW and Radar Target Simulators.

During the year under review, UTS's revenue from operations was ₹ 17,437.42 Lakhs for the year ended March 31, 2025, and Profit after tax was ₹ 3,943.93 Lakhs.

Applied Research International Private Limited

Applied Research International Private Limited (ARIPL) is a material subsidiary of the Company and is engaged in the business of (i) providing simulation and assessment tools for the marine, offshore, naval, ports & terminals, construction and mining industries; (ii) providing services relating to maintenance, certification, assessment solutions with respect to (i) above; (iii) fleetview monitoring of ships; and (iv) maintenance and module development for eGovernance of DG Shipping of India.

During the year under review, ARIPL's revenue from operations was ₹ 13,739.27 Lakhs for the year ended March 31, 2025, and Profit after tax was ₹ 745.33 Lakhs.

ARI Labs Private Limited

ARI Labs Private Limited (ALPL) is a wholly owned subsidiary of the Company and is engaged in the business of providing simulation and assessment tools for the marine and naval industries.

During the year under review, ALPL's revenue from operations was ₹ 44.34 Lakhs for the year ended March 31, 2025, and Loss for the year was ₹ 10.15 Lakhs.

Vector Technics Private Limited

Vector Technics Private Limited (Vector), is a subsidiary of the Company and engaged in the business of providing propulsion and power distribution solutions for drones and UAVs. Its current product portfolio includes BLDC motors, electronic speed controllers (ESCs), propellers, and starter generators—key components used in drones, UAVs, and robotic systems.

During the year under review, Vector's revenue from operations was ₹ 99.00 Lakhs for the year ended March 31, 2025, and Loss for the year was ₹ 315.67 Lakhs.

AiTuring Technologies Private Limited

AiTuring Technologies Private Limited (ATPL) is a subsidiary of the Company. ATPL is pioneers in the field of robotics, integrating sophisticated technologies and specializes in providing cutting-edge solutions in the field of Remote Controlled Weapon Stations (RCWS) and Optronics for a wide range of weapon platforms, ranging from 5.56mm to 12.7mm calibers.

During the year under review, ATPL's revenue from operations was ₹ 236.30 Lakhs for the year ended March 31, 2025, and Loss for the year was ₹ 33.26 Lakhs.

Zen Technologies USA, Inc

Zen Technologies USA, Inc is a wholly-owned subsidiary of the Company in USA and is engaged in the business of simulator industry, which complements the parent Company's core competencies. Zen Technologies USA is primarily dedicated to offering combat training products to defense and security customers worldwide. It incurred a net loss of USD 5.14 Lakhs for the year ended March 31, 2025.

Zen Medical Technologies Private Limited

Zen Medical Technologies Private Limited (ZMTPL) is a wholly-owned subsidiary of the Company in India. Zen Medical is primarily involved in the field of medical and hospital equipment. It incurred a net loss of ₹ 2.22 Lakhs for the year ended March 31, 2025.

Zen Defence Technologies L.L.C, UAE

Zen Defence Technologies L.L.C, UAE (ZDT) is a wholly-owned subsidiary in UAE and is engaged in the business of import and export of training equipment and simulators, as well as in trading, development, and maintenance of defense and surveillance systems on a global scale. It incurred a net loss of AED 2.65 Lakhs for the year ended March 31, 2025.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED

Details of investments made and/or loans or guarantees given and/or security provided, if any, are given in the notes to the Standalone and Consolidated financial statements which form part of the Annual Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments

During the year under review, the Board of Directors of the Company, based on the recommendations of the Nomination and Remuneration Committee, by the resolution passed through circulation on March 29, 2025 approved the appointment of Mr. Durga Prasad Kode (DIN: 07946821) as a Non-Executive Independent Director of the Company for a term of 3 (three) consecutive years i.e., from March 28, 2025 to March 27, 2028, not liable to retire by rotation and the same was approved by the members of the Company through postal ballot on May 13, 2025.

The Board opined that the above Independent Director possessed requisite experience and expertise (including the proficiency).

Retirement and Resignation

Dr. Ravindra Kumar Tyagi (DIN: 01509031), Non-Executive Independent Director of the Company has completed his second term of directorship on March 31, 2025 and consequently he ceased to be an Independent Director of the Company w.e.f. April 01, 2025.

The Board of Directors and the Management of the Company placed on record their appreciation for the valuable contributions and guidance provided during his association with the Company.

Retirement by Rotation

Mrs. Shilpa Choudari (DIN: 06646539), Whole Time Director, is liable to retire by rotation at the forthcoming 32nd AGM and being eligible, seeks re-appointment. For reference of members, a brief profile of Mrs. Shilpa Choudari is given in the Notice convening the 32nd AGM.

Changes in Key Managerial Personnel (KMP)

During the year under review, the following directors/executives served as Key Managerial Personnel of the Company:

1. Mr. Ashok Atluri, Chairman and Managing Director
2. Mr. Kishore Dutt Atluri, President and Joint Managing Director
3. Mr. Ravi Kumar Midathala, Whole-Time Director
4. Mrs. Shilpa Choudari, Whole-Time Director

5. Mr. Afzal Harunbhai Malkani, Chief Financial Officer
6. Mr. Sourav Dhar, Company Secretary & Compliance Officer (w.e.f. November 02, 2024)
7. Mr. M. Raghavendra Prasad, Company Secretary & Compliance Officer (upto September 24, 2024)

BOARD MEETINGS

The Board and Committee meetings are pre-scheduled and a tentative calendar of the meetings shall be finalised in consultation with the Directors to facilitate them to plan their schedule. However, in case of urgent business needs, approval is taken by passing resolutions through circulation. During the year under review, 4 (four) board meetings were held. The details of the meetings including the composition of various committees are provided in the Corporate Governance Report, which forms part of this Report.

DECLARATION OF INDEPENDENCE

In line with Section 149(7) of the Companies Act, 2013, each Independent Directors has confirmed to the Company that he or she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and complies with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company. Furthermore, they have affirmed compliance with the code of conduct for Independent Directors as prescribed in Schedule IV of the Companies Act, 2013.

OPINION OF THE BOARD

The Board opines that all the Independent Directors of the Company strictly adhere to corporate integrity, possesses requisite expertise, experience and qualifications to discharge the assigned duties and responsibilities as mandated by the Companies Act, 2013 and SEBI Listing Regulations diligently.

BOARD EVALUATION

Under the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company has carried out the Board Evaluation process of the performance of the Board, Board Committees, Directors including Executive Directors, Independent Directors, and the Chairman. This exercise was carried out following the Company's Nomination and Remuneration Policy within the framework of applicable laws. The questionnaire and the evaluation process were reviewed in line with the SEBI guidance note and suitably aligned with the requirements.

While evaluating the performance and effectiveness of the Board, various aspects of the Board's functioning, such as adequacy of the composition and quality of the Board, time devoted by the Board to the Company's long-term strategic issues, the quality and transparency of Board discussions, and execution and performance of specific duties, obligations, and governance were taken into consideration. Committee performance was evaluated on their effectiveness in carrying out respective mandates, composition, the effectiveness of the committees, the structure of the committees and meetings of the committee from the Board, and its contribution to decisions of the Board. A separate exercise was carried out to evaluate the performance of Executive Director including the Chairman of the Board and Independent Directors, who were evaluated on parameters such as level of engagement

and contribution to Board deliberations, independence of judgement, safeguarding the interests of the Company, focus on the creation of shareholder's value, ability to guide the Company in key matters, attendance at meetings, etc. The Directors expressed their satisfaction with the evaluation process.

NOMINATION AND REMUNERATION POLICY

The Board based on the recommendation of the Nomination and Remuneration Committee framed and adopted the Nomination and Remuneration Policy for selection, appointment and removal of Directors, Senior Management, Key Managerial Personnel ("KMP") including their remuneration. The Committee plays an important role in selection of Directors, Senior Management and KMP inter-alia including determination of qualifications, experience, expertise, and board diversity.

The Non-Executive Directors are remunerated by way of sitting fees for attending Board and Committee meetings.

The remuneration to a Whole-time Director/Executive Directors is broadly divided into fixed and variable components. The remuneration payable to them is subject to approval of the members of the Company.

For Senior Management, the remuneration is based on their performance, Company's performance, individual targets achieved, industry benchmark and compensation trends. Their remuneration consists of monthly salary, bonus, perquisites, KPI and other benefits

The Company's Nomination and Remuneration Policy is available at <https://www.zentechnologies.com/policies-and-code-of-conduct>

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

The Nomination and Remuneration Committee (NRC) shall assess the independence of directors at the time of appointment, re-appointment and the Board shall assess the same annually based on the criteria provided by NRC. The Board shall re-assess determination of independence when any new interests or relationships are disclosed by a Director.

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on February 14, 2025, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non- Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

REGISTRATION OF INDEPENDENT DIRECTORS IN INDEPENDENT DIRECTORS DATABANK

All the Independent Directors of the Company have been registered and are members of Independent Directors Databank maintained by the Indian Institute of Corporate Affairs (IICA).

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company states that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operative effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operative effectively.

The composition of the committees are as follows:

Name of the Committee	Composition of the Committee
Audit Committee	Mr. Sanjay Vijay Singh Jesrani, Chairman Dr. Ajay Kumar Singh, Member Mr. Ashok Atluri, Member Dr. Ravindra Kumar Tyagi, Member
Nomination and Remuneration Committee	Mr. Sanjay Vijay Singh Jesrani, Chairman Dr. Ajay Kumar Singh, Member Ms. Sirisha Chintapalli, Member Dr. Ravindra Kumar Tyagi, Member
Corporate Social Responsibility Committee	Ms. Sirisha Chintapalli, Chairperson Mr. Ravi Kumar Midathala, Member Mr. Ashok Atluri, Member Mrs. Shilpa Choudari, Member Dr. Ravindra Kumar Tyagi, Member
Stakeholders' Relationship Committee	Ms. Sirisha Chintapalli, Chairperson Mr. Ashok Atluri, Member Mr. Sanjay Vijay Singh Jesrani, Member
Risk Management Committee	Mr. Sanjay Vijay Singh Jesrani, Chairman Mr. Ashok Atluri, Member Mr. Ravi Kumar Midathala, Member Dr. Ajay Kumar Singh, Member Mr. Kishore Dutt Atluri, Member
Borrowing Committee	Mr. Sanjay Vijay Singh Jesrani, Chairman
Investment and Finance Committee	Mr. Ravi Kumar Midathala, Member Mr. Kishore Dutt Atluri, Member Mrs. Shilpa Choudari, Member Mr. Ashok Atluri, Member

COMPLIANCE WITH THE CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

All Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management Personnel. A declaration to that effect is attached to the Corporate Governance report.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

In terms of Section 118(10) of the Companies Act, 2013, the Company complies with Secretarial Standards 1 and 2, relating to the 'Meetings of the Board of Directors' and 'General Meetings', respectively as issued by the Institute of Company Secretaries of India ("ICSI") and approved by the Central Government.

COMMITTEES OF THE BOARD

As on March 31, 2025, the Board has the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Borrowing Committee
- Investment and Finance Committee

All the recommendations made by the Committees including the Audit Committee were accepted by the Board. A detailed update on the statutory Committees, its composition, terms of reference, number of meetings held and attendance of the Members at each meeting is provided in the Report on Corporate Governance.

DIRECTORS AND OFFICERS INSURANCE ('D & O INSURANCE')

The Company has procured D & O liability insurance policy that covers the members of the Board and Officers of the Company for such quantum and risks as determined by its Board of Directors.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has in place a robust process for approval of Related Party Transactions ("RPTs") and dealing with Related Parties. The Company demonstrates a structured approach to manage RPTs. Transparency and oversight is ensured by providing detailed justifications to the Audit Committee and adhering to regulatory requirements (SEBI Master Circulars and SEBI Listing Regulations).

All related-party transactions (RPT) entered during the financial year were conducted in the ordinary course of business and on an arms-length basis. The Company, during the year, has not entered into any materially significant related-party transactions with Promoters, Directors, Key Managerial Personnel, or other persons that may have had a potential conflict with the Company's interests. All related-party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is also obtained from the Audit Committee for repetitive related-party transactions that can be foreseen. The required disclosures are accordingly made to the Audit Committee every quarter regarding their omnibus approval.

Under Regulations 23(5) of SEBI Listing Regulations, as amended, approval of the Audit Committee is not applicable for the RPTs entered into between a holding Company and its wholly-owned subsidiary, and RPT entered into between two wholly owned subsidiaries of the listed holding Company, whose accounts are consolidated with such a holding Company and placed before the shareholders at the general meeting for approval. Since most Company's transactions are with its subsidiaries, omnibus approval of the Audit Committee is obtained for such transactions and is reviewed quarterly as a measure of good corporate governance.

The policy on the materiality of related-party transactions and on dealing with related-party transactions is in line with SEBI Listing Regulations, as amended, and is uploaded on the Company's website at <https://www.zentechologies.com/policies-and-code-of-conduct>.

In accordance with Section 134(3)(h) of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of the contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in Form AOC-2 is attached as **Annexure II** to this Report. The Company at the Annual General Meeting held on September 14, 2024 obtained approval of the Members for continuing/undertaking RPTs with Unistring Tech Solutions Private Limited which may exceed the materiality threshold,

and which are in the ordinary course of business and on arms' length. Detailed disclosure on related party transactions as per IND AS-24 containing name of the related party and details of the transactions entered with such related party have been provided under Notes to financial statements. Disclosure on RPTs on half year basis are also submitted to the stock exchanges i.e BSE Limited and National Stock Exchange of India Limited.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of corporate governance and adhering to the corporate governance requirements set out by the Securities and Exchange Board of India (SEBI). The report on corporate governance as stipulated under the SEBI Listing Regulations forms an integral part of this report. The requisite certificate from the Secretarial Auditor of the Company confirming compliance with the conditions of corporate governance is attached to the report on corporate governance.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report for the year under review, as stipulated under Regulation 34(2)(f) of the SEBI Listing Regulations, is presented in a separate section, forming part of the annual report.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed herewith as **Annexure III** to this report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended thereof, a statement showing the names and other particulars of the employees drawing remuneration over the limits set out in the said rules forms part of this report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, the annual report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection by the members at the registered office of the Company or through electronic mode during business hours on working days up to the date of the forthcoming 32nd AGM of the Company. Any member interested in obtaining a copy thereof may write to the Company Secretary at cossec@zentechologies.com in this regard.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company believes in upholding professional integrity and ethical behaviour in the conduct of its business. In terms of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations and to uphold and promote these standards, the Company has a Whistle Blower Policy which serves as a mechanism for its Director(s) and employee(s) to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal. The policy also provides employee(s) access to the Chairman of the Audit Committee under certain circumstances. The details of the procedures are also available on the Company's website at <https://www.zentechologies.com/policies-and-code-of-conduct>

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2025 is made available on the Company's website at <https://www.zentechnologies.com/annual-returns>.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MDA) for the year under review as stipulated under Regulation 34 of the SEBI Listing Regulations forms part of this Annual Report.

RISK MANAGEMENT POLICY

The Board formulated and implemented Risk Management Policy for the Company which identifies various elements of risks which in its opinion may threaten the existence of the Company and measures to contain and mitigate risks. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedures are reviewed by the Audit Committee, Risk Management Committee and the Board on periodical basis.

The Company has adopted a Risk Management Policy in accordance with the provisions of the Companies Act, 2013 and Regulation 21 of the SEBI Listing Regulations and the same is also made available on the Company's website at: <https://www.zentechnologies.com/policies-and-code-of-conduct>.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Pursuant to the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), as amended from time to time, the Company has constituted the CSR Committee of the Board which is chaired by an Independent Director. The Company has formulated and adopted a CSR policy which provides the focus areas (in accordance with Schedule VII of the Companies Act, 2013) under which various developmental initiatives are undertaken.

The Annual Report on CSR activities of the Company during fiscal 2025, in accordance with the CSR Rules, is attached as **Annexure IV** to this report. Further details on CSR activities also form part of this Annual Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has an ongoing familiarization programme for all Independent Directors with regard to their roles, duties, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. The Company issues a formal letter of appointment to the Independent Directors, outlining their role, function, duties and responsibilities, the format of which is available on the Company's Website.

Further, various other programmes are conducted for the benefit of Independent Directors to provide periodical updates on regulatory front, industry developments and any other significant matters of importance.

The details of training and familiarization program are available on the Company's website at <https://www.zentechnologies.com/investor-information>.

AUDITORS

Statutory Auditors

M/s. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants (Registration No: 010396S/S200084), were re-appointed as Statutory Auditors of the Company at the 31st Annual General Meeting held on September 14, 2024, to hold office for a second term of 5 (five) consecutive years from the conclusion of that AGM till the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2029.

Cost Records and Auditors

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Amendments Rules, 2014, the cost records maintained by the Company are required to be audited.

The Board on the recommendation of the Audit Committee, has appointed M/s. M P R & Associates, Cost Accountants (Registration No: 000413) to audit the cost records of the Company for the FY 2025-26 at a remuneration of ₹ 1,25,000 (Rupees One Lakh Twenty Five Thousands only) plus applicable taxes as well as reimbursement of reasonable out-of-pocket expenses at actuals. M/s. M P R & Associates have confirmed that their appointment is in compliance with the provisions of the Companies Act, 2013.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s M P R & Associates Cost Auditors is included in the Notice convening the AGM.

The Cost Audit Report for the FY 2023-24 was filed with the Ministry of Corporate Affairs. The report was unmodified and did not contain any qualification or reservation or adverse remark or disclaimer. The Cost Audit Report for the FY 2024-25 will be filed before the due date.

Secretarial Auditors & Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of SEBI Listing Regulations, as amended, the Board, subject to the approval of the shareholders, has appointed M/s. P S Rao & Associates, Practising Company Secretaries, (Registration No: P2001TL078000) a peer reviewed firm, to undertake the Secretarial Audit of the Company for a term of five consecutive years i.e. from FY 2025-26 to FY 2029-30. Accordingly, a resolution seeking Member's approval for the appointment of M/s P S Rao & Associates, Practising Company Secretaries, is included in the Notice convening the AGM.

The Secretarial Audit Report issued by M/s. P S Rao & Associates for the period under review in Form MR-3 is in **Annexure-V** to this Report. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report.

SECRETARIAL AUDIT OF MATERIAL UNLISTED SUBSIDIARY COMPANY

Mr. D S Rao, Practising Company Secretary and Mrs. Sunita Verma, Practising Company Secretary, have undertaken a Secretarial Audit of the Company's material subsidiaries viz. Unistring Tech Solutions Private Limited and Applied Reaserch International Private Limited for the financial year 2024-25. The Audit report confirms that the material subsidiaries have complied with the provisions of the Companies Act, 2013, Rules, Regulations and Guidelines and that there were no deviations or non-compliance.

As required under Regulation 24A of the SEBI Listing Regulations, the reports of the Secretarial Audit are given as **Annexure VA and VB** to this report.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Annual Secretarial Compliance Report for the FY 2024-25 has been submitted to the Stock Exchanges i.e BSE Limited and National Stock Exchange of India Limited within 60 days from end of the Financial Year ended March 31, 2025.

RECONCILIATION OF SHARE CAPITAL AUDIT

As required by the SEBI Listing Regulations, a quarterly audit of the Company's Share Capital is being carried out by an Independent Practising Company Secretary to reconcile the total share capital, the total share capital admitted with NSDL, CDSL and held in physical form, with the issued and listed capital. The Practising Company Secretary's certificate in regard to the same is submitted to BSE Limited and National Stock Exchange of India Limited and is also placed before the Board of Directors.

AUDITORS' QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE

There are no qualifications, reservations or adverse remarks by the Statutory Auditors in their report or by the Practising Company Secretary in the secretarial audit report. The emphasis on the matter and the key audit matters paragraphs are self explanatory and require no clarification.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Companies Act, 2013 and the rules made there under.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were

adequate and your Company is constantly endeavoring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the nature of its business.

Further, the statutory auditors of your Company have also issued an attestation report on internal control over financial reporting (as defined in Section 143 of the Companies Act, 2013) for the financial year ended March 31, 2025, which forms part to the Statutory Auditor's Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information under clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in **Annexure VI** to this Report

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE 'GOING CONCERN' STATUS AND THE COMPANY'S OPERATIONS IN THE FUTURE

No significant material orders passed by the regulators/courts/tribunals would impact the Company's 'going-concern' status and future operations. However, members' attention is drawn to the statement on contingent liabilities and commitments in the notes forming part of the financial statements.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has taken several initiatives across the organization to build awareness amongst employees about the Policy and the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been constituted in compliance with the requirements of said Act to redress complaints received regarding sexual harassment. All employees are covered under this Policy.

The details of sexual harassment complaints as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules thereunder are provided in the Corporate Governance Report.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company adopted a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives of Designated Persons pursuant the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at <https://www.zentechnologies.com/policies-and-code-of-conduct>.

The Company is maintaining Structured Digital Database ('SDD'), for monitoring the dealings in the securities of the Company by the promoters, directors and designated persons including immediate relative and also to keep record of the persons with whom the unpublished price sensitive information of the Company has been shared internally or externally until it becomes public.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report i.e. between March 31, 2025 to May 17, 2025.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Section 124 of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, declared dividends which remained unpaid or unclaimed for a period of seven years have been transferred by the Company to the IEPF, which has been established by the Central Government.

During the year under review, pursuant to the provisions of Section 124 (5) of the Companies Act, 2013, an amount of ₹ 85,119 relating to FY 2016-17, which remained unclaimed for a period of 7 years was transferred to the Investor Education and Protection Fund by the Company in November, 2024.

Further, during the year under review, the Company transferred 11,650 equity shares to the Investor Education and Protection Fund relating to the investors who have not claimed any dividend from the last seven consecutive years.

The details of the investors whose dividend amount and shares are transferred are available on the Company's website <https://www.zentechnologies.com/unpaid-unclaimed-dividend>.

INSURANCE

All the properties of the Company including buildings, plant and machinery and stocks have been adequately insured.

INDUSTRIAL RELATIONS

Industrial relations have remained cordial during the year under review, and your directors appreciate the sincere and efficient services rendered by the employees of the Company at all levels, contributing to the successful operations of the Company.

GREEN INITIATIVES

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 32nd Annual General Meeting of the Company including the Annual Report for FY 2024-25 are being sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s)/RTA.

WEB-LINKS OF VARIOUS POLICIES

The web-links of various policies are provided herewith:

S.No	Particulars	Weblink
1	Annual Return	https://www.zentechnologies.com/annual-returns
2	Business Responsibility and Sustainability Report	https://www.zentechnologies.com/brsr-business-responsibility-and-sustainability-report
3	Dividend Distribution Policy	https://www.zentechnologies.com/investor_relations/zen-dividend-distribution-policy.pdf
4	Corporate Social Responsibility Policy	https://www.zentechnologies.com/investor_relations/CSR-Policy.pdf
5	Nomination & Remuneration Policy	https://www.zentechnologies.com/investor_relations/Nomination-Remuneration-Policy.pdf
6	Whistle Blower Policy	https://www.zentechnologies.com/investor_relations/Whistle-Blower-Policy.pdf
7	Familiarization Programme of Independent Directors	https://www.zentechnologies.com/investor_relations/Details-of-Familiarization-Programmes-imparted-to-Independent-Directors.pdf
8	Policy on material subsidiaries	https://www.zentechnologies.com/investor_relations/Policy-on-Material-Subsidiaries.pdf
9	Policy on related party transactions	https://www.zentechnologies.com/investor_relations/Related-Party-Transaction-policy.pdf

DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The Company has not made any such valuation during the FY 2024-25.

APPLICATION UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016 during the FY 2024-25.

ACKNOWLEDGMENTS

Your directors thank various departments of Central and State Government, Organizations and Agencies for the continued help and co-operation extended by them to your Company. Your directors also gratefully acknowledge all the stakeholders of the Company viz. shareholders, customers, dealers, suppliers, vendors, financial institutions, banks, other intermediaries and business partners for the excellent support received from them during the year.

Your directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Place: Hyderabad
Date: May 17, 2025

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Annexure - I

FORM NO. AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(₹ in Lakhs)

1	Name of the subsidiary	Unistring Tech Solutions Private Limited	Zen Technologies USA, Inc.	Zen Medical Technologies Private Limited	Zen UAE Defence LLC	AiTuring Technologies Private Limited	Applied Research International Private Limited	ARI Labs Private Limited	Vector Technics Private Limited
2.	Date since when subsidiary was acquired	May 08, 2019	March 09, 2018	September 29, 2020	November 15, 2022	March 30, 2024	February 28, 2025	February 28, 2025	February 24, 2025
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	1 USD = 83.3739 INR	NA	1 AED = 22.6551 INR	NA	NA	NA	NA
5	Share capital (₹ in Lakhs)	56.63	10,120.78	75.20	34.00	2.04	132.87	3.51	1.29
6	Reserves & surplus	6,464.32	(1,675.60)	(35.04)	(6.03)	359.02	6,568.46	28.62	449.73
7	Total assets	10,521.08	8,992.48	40.41	30.92	856.00	11,304.17	510.25	585.81
8	Total Liabilities	4,000.12	547.29	0.25	2.94	494.94	4,602.86	478.11	134.79
9	Investments	-	-	-	-	-	6.56	-	-
10	Turnover	17,437.42	-	-	-	236.30	2,222.63	1.53	19.59
11	Profit before taxation	5,379.55	(434.71)	(2.23)	(2.65)	(33.88)	852.41	2.51	(19.19)
12	Provision for taxation	1,435.62	-	-	-	(0.62)	338.90	0.66	(4.60)
13	Profit after taxation	3,943.93	(434.71)	(2.23)	(2.65)	(33.26)	513.51	1.86	(14.59)
14	Proposed Dividend	--	--	--	--	--	-	-	-
15	% of shareholding	51%	100%	100%	99%	51%	76%	100%	51%

Notes:

- Names of subsidiaries which are yet to commence operations: Zen Technologies USA, Inc. and Zen UAE Defence LLC
- Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

1	Name of the Associate	Bhairav Robotics Private Limited
2	Date on which the associate was associated or acquired	March 18, 2025
3	Share of Associate held by the Company on the year end	
	A) Number	9,205
	B) Amount of Investment in Associate	399.95 Lakhs
	C) Extent of Holding %	45.33%
5	Description of how there is significant influence	Significant influence means a control of at least 20% of the total shares capital or of business decisions under an agreement. Since the holding of the company is more than 20% hence there is significant influence

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: **(Contd.)**

6	Reason why the associate is not consolidated	NA
7	Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 329.50 Lakhs
8	Profit/Loss for the year	
	A) Considered in Consolidation	₹ (3.80) Lakhs
	B) Not considered in Consolidation	-

For and on behalf of the Board

Place: Hyderabad
Date: May 17, 2025

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Annexure - II

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

- There are no contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.
- Details of material contracts or arrangement or transactions at arm's length basis:

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Date(s) of approval by the Board, if any:	Salient terms of the contracts or arrangements or transactions, including the value, if any:
1	Unistring Tech Solutions Private Limited (UTS), Subsidiary Company	Purchase of goods	Ongoing	May 04, 2024	During the year 2024-25, ₹ 14,587.28 Lakhs was paid to UTS.
2		Purchase of capital goods	Ongoing		During the year 2024-25, ₹ 756.31 Lakhs was paid to UTS.
3		Advance for material supplies	Ongoing		During the year 2024-25, ₹ 14,388.26 Lakhs was paid to UTS.

For and on behalf of the Board

Place: Hyderabad
Date: May 17, 2025

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Annexure - III

Details in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of remuneration of each director to the median remuneration of the employees and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary of the Company for the financial year:

S. No	Name of the Director/KMP, Designation	Ratio of remuneration to the median remuneration of the employees	Percentage increase in remuneration
1	Mr. Ashok Atluri, Chairman and Managing Director	268.29	63.64%
2	Mr. Kishore Dutt Atluri, President and Joint Managing Director	238.11	81.87%
3	Mr. Ravi Kumar Midathala, Whole-time Director	15.38	-0.53%
4	Mrs. Shilpa Choudari, Whole-time Director	12.42	51.42%
5	Mr. Sanjay Vijay Kumar Jesrani, Non Executive Independent Director [@]	-	-
6	Dr. Ravindra Kumar Tyagi, Non Executive Independent Director [@]	-	-
7	Dr. Ajay Kumar Singh, Non Executive Independent Director [#]	-	-
8	Ms. Sirisha Chintapalli, Non Executive Independent Director [@]	-	-
9	Mr. Afzal Harunbhai Malkani, Chief Financial Officer	19.73	46.15%
10	Mr. Sourav Dhar, Company Secretary & Compliance Officer [*]	-	-

*The remuneration paid in FY 2024-25 was for part of the year. Therefore, percentage increase is not comparable, hence not stated.

[@]Independent Director were paid sitting fees for attending the Board and Committee Meetings

[#]Dr. Ajay Kumar Singh has waived off his sitting fee for attending the Board and Committee Meeting during the FY 2024-25.

- (ii) The percentage increase in the median remuneration of employees in the financial year: 15.87%
- (iii) The number of permanent employees on the rolls of Company: There were 395 permanent employees on the rolls as on March 31, 2025.
- (iv) The average percentage increase already made in the salaries of employees other than managerial personnel was 10 %
- (v) Percentile increases in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 48.78%
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy, applicable for Directors, Key Managerial Personnel and other employees, adopted by the Company.

For and on behalf of the Board

Place: Hyderabad
Date: May 17, 2025

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Annexure - IV

Annual Report on CSR Activities for the FY 2024-25

(As per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on CSR Policy of the Company

Corporate Social Responsibility (CSR) reflects Zen's commitment to operating in a manner that balances economic growth with social and environmental well-being. Zen is committed conducting its business responsibly, sustainably, and inclusively. The CSR Policy articulates the Zen's approach to contributing meaningfully to the development of communities and addressing pressing social and environmental challenges. The Company undertakes CSR initiatives in accordance with Schedule VII of the Companies Act, 2013, with a focus on promoting inclusive growth, social equity, and long-term value creation.

This Policy applies to all CSR activities undertaken by the Company, either directly or through implementing partners. It serves as a guiding framework to ensure that the Company's actions go beyond legal compliance and are aligned with the highest ethical standards and internationally accepted norms. The goal is to generate a positive and measurable impact on stakeholders including the environment, employees, consumers, communities, and society at large by embedding responsibility and accountability into the Company's decision-making and business processes.

2. Composition of the CSR Committee:

S. No	Name	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Sirisha Chintapalli*	Chairman	-	-
2.	Mr. Ashok Atluri	Member	2	2
3.	Dr. Ravindra Kumar Tyagi	Member	2	1
4.	Mr. Ravi Kumar Midathala	Member	2	2
5.	Mrs. Shilpa Choudari*	Member	-	-

* Inducted on March 01, 2025.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

- Composition of the CSR committee: <https://www.zentechnologies.com/leader/board-committees>
- CSR Policy at: <https://www.zentechnologies.com/policies-and-code-of-conduct>
- CSR Projects approved by the Board <https://www.zentechnologies.com/CSR>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable.

- Average net profit of the Company as per sub-section (5) of section 135: ₹ 7,964.87 Lakhs
 - Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 159.30 Lakhs
 - Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
 - Amount required to be set-off for the financial year, if any: Nil
 - Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 159.30 Lakhs
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 76.85 Lakhs
 - Amount spent in Administrative Overheads: Nil
 - Amount spent on Impact Assessment, if applicable: Nil
 - Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 76.85 Lakhs

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 76.85 Lakhs	₹ 82.45 Lakhs	April 30, 2025	-	Nil	-

f) Excess amount for set-off, if any: **Nil**

7. Details of Unspent CSR amount for the preceding three financial years:

Nil

S. No	Preceding financial year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 of the Act (₹ in Lakhs)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 of the Act (₹ in Lakhs)	Amount Spent in the Financial Year (₹ in Lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135 of the Act, if any		Amount remaining to be spent in succeeding financial year (₹ in Lakhs)	Deficiency, if any
					Amount (₹ in Lakhs)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):

Not Applicable

For and on behalf of the Board

Place: Hyderabad
Date: May 17, 2025

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Sirisha Chintapalli
Chairperson of the Committee
DIN: 08407008

Annexure - V

FORM NO. MR-3

Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Zen Technologies Limited
Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zen Technologies Limited** (hereinafter referred to as "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that, in our opinion, the company has, during the audit period covering the financial year ended March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) (applicable sections as on date) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder by the Securities and Exchange Board of India (SEBI);
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(vi) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report: -

- (a) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and;
- (c) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

(vii) The industry specific and other laws that are applicable to the company are as follows:

- a) The Information Technology Act, 2008
- b) The E-Waste (Management and Handling) Rules, 2011
- c) The Official Secrets Act, 1923
- d) Security Manual, Category B, Ministry of Defence
- e) The Indian Explosives Act, 1884
- f) The Explosives Rules, 2008
- g) The Arms Act, 1959
- h) The Arms Rules, 1962

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards SS-1 and SS-2 with respect to Meetings of the Board of Directors and General Meetings respectively, issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned hereinabove.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive, Non-Executive and Independent Directors. During the year under review:

S. no.	Name of the Director	Appointment/ Cessation/ Reappointment	Our Comments
1	Mr. Kishore Dutt Atluri	Re-appointment	Re-appointed as a Director at the 31 st Annual General Meeting held on September 14 th , 2024 upon retirement by rotation in accordance with the provisions of Sec. 152 of Companies Act, 2013.
2	Mr. Durga Prasad Kode	Appointment	Appointed as an Additional Director of the Company in the Category of Independent Director w.e.f. March 28 th , 2025 vide Circular Resolution dated March 29 th , 2025 and was regularized as an Independent Director vide Shareholders Resolution dated May 13 th , 2025 through Postal Ballot.
3	Dr. Ravindra Kumar Tyagi	Cessation	Ceased to be an Independent Director of the Company w.e.f. April 01 st , 2025 upon completion of his second term tenure.

Adequate notice has been given to all the directors to schedule the Board meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As a general practice of the Board, decisions were taken on unanimous consent.

We further report that based on our verifications and the declarations received from the respective directors, the directors were not disqualified to act as such as per the provisions of Companies Act, Rules, Orders/Circulars/Regulations issued by SEBI or such other acts for the time being enforceable.

We further report that no prosecutions were initiated and no fines or penalties were imposed during the year under the Companies Act, SEBI Act, SCRA Act or other SEBI Regulations on the Company or its Directors and officers of the Company.

We further report that there are adequate systems and processes in the Company, commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under review, the Company has allotted 62,46,096 Equity Shares of ₹ 1 each on Qualified Institutional Placement basis to eligible investors at a premium of ₹ 1,600 per Equity Share on August 23rd, 2024.

We further report that during the year under review, the Company has granted a total of 1,99,500 Employee Stock Options (ESOPs) out of which 5,000 ESOPs were granted at an exercise price of Rs. 100/- per option on May 4th, 2024 and 1,94,500 ESOPs at an exercise price of Rs. 500/- per option on July 28th, 2024, February 14th, 2025 and March 28th, 2025 in terms of "Zen Technologies Limited Employee Stock Option Plan - 2021" and also extended the time period for appropriation of 1,59,876 outstanding Equity Shares acquired by Zen Technologies Employees Welfare Trust through secondary market.

We further report that during the year under review, 1,21,800 Equity Shares were transferred to eligible employees from Zen Technologies Employees Welfare Trust upon vesting of Employee Stock Options (ESOPs) at an exercise price of Rs. 100/- per option, in terms of "Zen Technologies Limited Employee Stock Option Plan - 2021".

We further report that, during the year under review, in terms of the provisions of Section 124(5) of the Act, an amount of ₹ 85,118.55 being the Unclaimed Dividend of FY 2016-17, was transferred to the Investor Education and Protection Fund.

We further report that, in terms of the provisions of section 124(6) of the Act, 11,650 equity shares belonging to 11 shareholders were transferred to the Investor Education and Protection Fund (IEPF). After affecting this transfer and claims settled 1,40,455 shares were lying in the IEPF account as on March 31, 2025.

Place: Hyderabad
Date: May 17, 2025

FOR P.S.RAO & ASSOCIATES
Company Secretaries

CS P.S. RAO
C. P. No. 3829
UDIN: F010322G000368691
PEER REVIEW CER NO. 6678/2025

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

ANNEXURE A

66

To
The Members
Zen Technologies Limited
Hyderabad

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on the information/documents received from the respective officials of the Company for forming our opinion and for eventual reporting thereof.

Place: Hyderabad
Date: May 17, 2025

FOR P.S.RAO & ASSOCIATES
Company Secretaries

CS P.S. RAO
C. P. No. 3829
UDIN: F010322G000368691
PEER REVIEW CER NO. 6678/2025

Annexure - VA

FORM MR-3

Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Unistring Tech Solutions Private Limited,
Hyderabad.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Unistring Tech Solutions Private Limited (hereinafter referred to as "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that, in our opinion, the company has, during the audit period covering the financial year ended March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") (applicable sections as on date) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the regulations and bye-laws framed by the Securities and Exchange Board of India ("SEBI") thereunder;

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned hereinabove:

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive, Non-Executive and Independent Directors. During the year under review:

S. No.	Name of the Director	Our Comments
1	Mr. Srinivasa Raju Kolahalam	Appointed as a Whole-time Director and CEO for a period of 3 years w.e.f. December 1 st , 2022.
2	Dr. Nagendra Babu Samineni	Appointed as a Managing Director for a period of 3 years w.e.f. August 1 st , 2023
3	Mr. Ajay Kumar Singh	Appointed as an Independent Director in terms of Regulation 24(1) of Listing Regulations.
4	Mrs. Shilpa Choudari	Appointed as a Nominee Director by Holding Company, Zen Technologies Limited
5	Mr. Ashok Atluri	Appointed as a Nominee Director by Holding Company, Zen Technologies Limited

- (iii) The following regulations prescribed under by Securities and Exchange Board of India ("SEBI") are applicable to the extent they are applicable to a subsidiary company as the Company is a material subsidiary of Zen Technologies Limited which is a listed entity and requires to follow the applicable regulations under the following regulations;

- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
- (i) The industry specific and other laws that are applicable to the company are as follows:
 - a) The Information Technology Act, 2008
 - b) The E-Waste (Management and Handling) Rules, 2011
 - c) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - d) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
 - e) The Employees State Insurance Act, 1948;

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards SS-1 and SS-2 with respect to Meetings of the Board of Directors and General Meetings respectively, issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

Adequate notice has been given to all the directors to schedule the Board meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As a general practice of the Board, decisions were taken on unanimous consent.

We further report that based on our verifications and the declarations received from the respective directors, the directors were not disqualified to act as such as per the provisions of Companies Act, Rules, Orders/Circulars/Regulations issued by SEBI or such other acts for the time being enforceable.

Place: Hyderabad
Date: May 10, 2025

We further report that no prosecutions were initiated and no fines or penalties were imposed during the year under the Companies Act, SEBI Act, or other applicable SEBI Regulations on the Company or its Directors and officers of the Company.

We further report that there are adequate systems and processes in the Company, commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the financial under review, in terms of the provisions of section 135 of the Act, the Company does not require to spend any amount under Corporate Social Responsibility.

CS D.S. RAO; PCS

M. No. A12394

C. P. No. 14487

UDIN: A012394G000310681

Peer Review Cert. No. 1817/2022

Note: This report is to be read with our letter of even date which is annexed as '**Annexure A**' and forms an integral part of this report.

ANNEXURE A

To
The Members
Unistring Tech Solutions Private Limited
Hyderabad

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on the information/documents received from the respective officials of the Company for forming our opinion and for eventual reporting thereof.

Place: Hyderabad
Date: May 10, 2025

CS D.S. RAO; PCS
M. No. A12394
C. P. No. 14487
UDIN: A012394G000310681
Peer Review Cert. No. 1817/2022

Annexure - VB

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended 31st March 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Applied Research International Private Limited

46/13, E Block, Okhla Industrial Area, Phase - II,

New Delhi - 110020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Applied Research International Private Limited (hereinafter called 'the Company') having (CIN- U73100DL1998PTC097280). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

- a) The Companies Act, 2013 (the Act) (including amendments made thereto) and the rules made there under;
- b) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (The Company did not have any Foreign Direct Investment during the financial year);

The Company is not listed on any Stock Exchange in India hence the following Acts, Regulations, Guidelines etc. was not applicable to the Company:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (not applicable pursuant to MCA notification no. G.S.R. 43(E) dated 22.01.2019)

- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

- iv) The following are the other laws as specifically applicable to the Company:

- (a). The Employees' State Insurance Act, 1948
- (b). The Employees' Provident Funds & Miscellaneous Provisions Act, 1952
- (c) The Payment of Gratuity Act, 1972
- (d) Central Goods and Services Tax Act, 2017

- (e) Sexual Harassment of Women at Workplace Act, 2013 (POSH Act, 2013)
- (f) The Factories Act, 1948

During the financial year ended on 31st March, 2025, the Company has complied with the applicable clauses of Secretarial Standard (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the Company has complied with the same to the extent possible.

I have relied on the representation made by the Company and its Officers for systems and mechanism framed by the Company and on examination of the documents and records in test check basis.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

For the year 2024-25, the Company was required to spend Rs. 7.00 Lac (Rs. Seven Lacs only) towards Corporate Social Responsibility ("CSR") and the Company has spent the same as per the CSR policy of the company as per the relevant records produced before me.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. Change in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

During the year 2024-25, changes took place in the composition of Board of Directors pursuant to the terms of the Share Purchase Agreement ("SPA") dated February 14, 2025 ("SPA") executed amongst the Company, Mr. Shravan Rewari, Ms. Naomi Rewari, Mrs. Amarjeet Rewari, ARI Labs Private Limited ("ALPL") and Zen Technologies Limited ("Purchaser"). As a result, the company became a material unlisted subsidiary of Zen Technologies Limited, a listed Entity, in accordance with Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- i. Mr. Ashok Atluri and Mr. Sanjay Kumar were appointed as additional director on February 28, 2025. Their appointment was regularised by the shareholders at the Extra ordinary General Meeting ("EGM") held on February 28, 2025.
- ii. Designation of Mr. Shravan Rewari was changed from Executive Director to Non-Executive director under professional category on February 28, 2025.

- iii. Mrs. Naomi Rewari & Mrs. Amarjeet Rewari resigned from the directorship of the Company on February 28, 2025.
- iv. Ms Sirisha Chintapalli ((DIN:08407008) was appointed as additional director (Non-Executive Independent Director) at the Board meeting held on March 19, 2025. Her appointment as Independent Director ((Non- Executive) was regularized by the shareholders of the Company at the Extra ordinary General Meeting ("EGM") held on March 20, 2025.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings were carried out unanimously as per the minutes as duly recorded and signed by the Chairman of the meeting of Board of Directors therefor there were no dissenting views required to be recorded as part of the minutes.

I further report that:

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that:

- i. During the financial year ended on March 31, 2025, the Company completed a buyback of 201340 (Two Lakh One Thousand Three Hundred Forty) Equity shares from its existing shareholders in accordance with Section 68, 69 and 70 of the Companies Act, 2013 and Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions (if any) of the Companies Act, 2013 as well as the Articles of Association of the Company. The buyback was approved by the shareholder at Extra Ordinary General Meeting ("EGM") held on September 14, 2024.
- ii. During the financial year ended on March 31, 2025, 10,09,782 (Ten Lakh Nine Thousand Seven Hundred Eighty Two) equity shares were transferred on February, 28, 2025 to Zen Technologies Limited, a listed Entity, pursuant to the terms of the share purchase agreement dated 14 February 2025 ("SPA") executed amongst the Company, Mr. Shravan Rewari, Ms. Naomi Rewari, Mrs. Amarjeet Rewari, ARI Labs Private Limited ("ALPL") and Zen Technologies Limited ("Purchaser"). As a result, the company became a material unlisted subsidiary of Zen Technologies Limited, a listed Entity, in accordance with Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The remaining 3,18,878 equity shares were placed in Escrow Account with Axis Trustee Services Limited.

I further report that:

That during the financial year ended on March 31, 2025, the Company has altered the Articles of Association pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of Companies Act, 2013 ("Act") to align with Share Purchase Agreement ("SPA") dt February 14, 2025.

I further report that no other specific event/action having a major bearing on the company's affairs in pursuance to the laws, rules, regulations, guidelines, etc. referred to above.

Date: May 07, 2025

Place: New Delhi

SUNITA VERMA

FCS No. 6724;

C P No.: 7276

Peer Review No. 6492/2025

UDIN: F006724G000287928

Note: The report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Applied Research International Private Limited
46/13, E Block, Okhla Industrial Area, Phase - II,
New Delhi – 110020

My report of even date is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, I have obtained reasonable assurance whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
8. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Date: May 07, 2025
Place: New Delhi

SUNITA VERMA

FCS No. 6724;
C P No.: 7276
Peer Review No. 6492/2025
UDIN: F006724G000287928

Annexure - VI

Statement of particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

- (i) The steps taken or impact on conservation of energy:

The Company does not use energy-intensive equipment for its operations. Besides, due to significant awareness campaigns within the Company, the employees are averse to wasting power. Consequently, power consumption is one of the lowest per employee. The computers, air-conditioners and other equipment being used by the Company are energy-efficient and environment-friendly.

- (ii) The steps taken by the company for utilizing alternate sources of energy:

- The Company is energy conscious. All types of driving simulators manufactured by the Company with high-rated, power-saving servo motors.
- The employees are disciplined on saving energy. Systems are switched on only when it is to be used and switched off as soon as the scheduled work is completed.
- The Company has made a policy decision of buying systems that are rated high in power saving. Employees work on LED monitors. Their energy consumption is less. They also release less heat compared to CRT and LCD monitors enabling the centralized air-conditioner maintain the temperature with ease. The air-conditioner too has a regulator to save power.
- Plans are afoot to buy eco-friendly vehicles for intra-office movement at the Hardware Park Plant and between the research wing and production wings.
- Also there is a move to harness solar energy for lighting and wire fencing. The roof of the plant is about 70 feet from ground and there are enough provisions for the day light to seep into the plant to enable technical hands to work without switching on electrical lights especially in day time.
- Air conditioners are fitted with controllers to cut off power at the set temperature. The present MH lamps and mercury lamps are replaced with LED lamps which consume only 40% of CFL and its minimum life is 50,000 burning hours.

- The street lights and the complete indoor lights at the Hardware Park are replaced with LED bulbs towards efficient energy consumption.

- The company has installed motion sensor based lights in the corporate & head office and the Hardware Park.

- We had also installed energy meters to our 40 Kva & 60 Kva UPS for monitoring Electric consumption for our IT infrastructure.

- (iii) The capital investment on energy conservation equipments: The capital investment was made on controllers used for air conditioners and LED bulbs.

B. TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption:

The Company has indigenously developed significant technologies that are useful in various products. The technologies nurtured within the Company have been incorporated into various products.

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

We expect such technologies will give us an unbeatable edge in evolving our products into advanced, reliable, and robust simulators.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The Company has not imported any technology during the past 3 years.

- (iv) The expenditure incurred on Research and Development:

The Company has incurred ₹ 3,301.20 Lakhs as R&D expenditure (capital and revenue) for the financial year 2024-25 for the development of various products. The Company has incurred 3.55% as R&D expenditure of Sales Turnover. The Company will continue to make big bets for long-term national interests which may impact short-term profitability of the Company.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

Particulars	FY 2024-2025	FY 2023-2024
Earned during the year	1,254.16	15,058.21
Used during the year	3,133.93	3,188.16

Place: Hyderabad
Date: May 17, 2025

For and on behalf of the Board

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Corporate Governance Report

[Pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and the report contains the details of Corporate Governance systems and processes at Zen Technologies Limited ('Zen' or 'the Company').

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a Company is directed, administered or controlled. It is a system of structuring, operating and controlling a Company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations as applicable, with regard to corporate governance and also the Guidance Note on Board Evaluation as prescribed by the Securities and Exchange Board of India ("SEBI").

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Zen is committed to good corporate governance. Zen aims to achieve the objective of enhancing the shareholders' value by ensuring effective relationship with stakeholders and protecting their interests. Zen believes that the Company's business strategy and plans should be consistent with the welfare of all its stakeholders which will bring sustained corporate growth and long term benefit to all.

Zen has been practicing the principles of good corporate governance with a great zeal of commitment and sincerity. Zen's principle of corporate governance comes from the belief that the high standards of ethics, timely disclosures, accountability

and transparency go a long way in preserving shareholders' trust and creating wealth.

2) DATE OF REPORT

The information provided in this Corporate Governance Report is as on March 31, 2025 for the purpose of unanimity. Some of the information is updated as on the date of the report, wherever applicable.

3) BOARD OF DIRECTORS

i) Composition and Category of Directors:

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. In terms of the Company's corporate governance policy, all statutory and other significant and material information is placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company and as trustees of stakeholders. Your Company actively seeks to adopt best practices and has a diverse Board whose wisdom and strength can be leveraged for increasing stakeholder value, protection of their interests and better corporate governance. Therefore, the Company's Board is an ideal mix of knowledge, perspective, professionalism, divergent thinking and experience. The Board of directors of the Company has an optimum combination of Executive and Non-Executive Directors, which is in conformity with the Companies Act, 2013 ("Act") and SEBI Listing Regulations.

In terms of Regulation 17 of the SEBI Listing Regulations, at least 50% of the Board should comprise Non-Executive Independent Directors with at least one Woman Director. Provided that top 1000 listed entity shall have atleast one (1) Independent Women Director. The Board periodically evaluates the need for change in its composition and size. However, target share of the Independent Directors on the Board of the Company is not less than two-third of the total number of Directors on the Board.

As on March 31, 2025, the Board consists of 9 (nine) Directors, comprising 4 (four) Executive Directors and 5 (five) Independent Directors. The detailed profile of the directors are available on the Company's website at: <https://www.zentechnologies.com/leader/board-of-directors>.

The following are the details of each member of the Board along with the number of Directorship(s)/Committee Membership(s)/Chairmanship(s):

Name	DIN	Category of Directorship	Number of Directorship(s) in listed entities including this listed entity (Refer Regulation 17A of SEBI Listing Regulations)*	Number of Membership(s)/Chairmanship(s) of Audit Committee/Stakeholders Relationship Committee including this listed entity (Refer Regulation 26(1) of SEBI Listing Regulations)**	
				Chairman	Member
Mr. Ashok Atluri	00056050	Executive Director – Chairman and Managing Director	1	-	2
Mr. Kishore Dutt Atluri	09691242	Executive Director	1	-	-

The following are the details of each member of the Board along with the number of Directorship(s)/Committee Membership(s)/Chairmanship(s): **(Contd.)**

Name	DIN	Category of Directorship	Number of Directorship(s) in listed entities including this listed entity (Refer Regulation 17A of SEBI Listing Regulations)*	Number of Membership(s)/Chairmanship(s) of Audit Committee/Stakeholders Relationship Committee including this listed entity (Refer Regulation 26(1) of SEBI Listing Regulations)**	
				Chairman	Member
Mr. Ravi Kumar Midathala	00089921	Executive Director	1	-	-
Mrs. Shilpa Choudari	06646539	Executive Director	1	-	-
Mr. Sanjay Vijay Singh Jesrani	02306916	Non Executive Independent Director	2	1	2
Dr. Ravindra Kumar Tyagi [§]	01509031	Non Executive Independent Director	1	-	1
Dr. Ajay Kumar Singh	08532830	Non Executive Independent Director	2	-	2
Ms. Sirisha Chintapalli	08407008	Non Executive Independent Director	2	2	1
Mr. Durga Prasad Kode [@]	07946821	Non Executive Independent Director	3	2	1

* Excludes directorships in Private Limited companies, Foreign companies, Companies u/s 8 of the Companies Act, 2013 and memberships of managing committees of various chambers/bodies and alternate directorships.

** Committees include only Audit Committee and Stakeholder's Relationship Committee.

§ Dr. Ravindra Kumar Tyagi, Non-Executive Independent Directors of the Company completed his 2nd term of 3 years as Independent Director of the Company with effect from April 01, 2025.

@ Mr. Durga Prasad Kode appointed as an Non-Executive Independent Directors of the Company w.e.f. March 28, 2025.

ii) Meetings and Attendance:

The board/committee meetings are pre-scheduled well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent board meeting.

The Company follows the board processes in line with the relevant provisions of the Act read with Rules made thereunder, Secretarial Standards on Board Meetings and the requirements of the SEBI Listing Regulations.

The Board is apprised of all the key matters and there is a proper channel for flow of information between management and the Board.

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company including Finance, Sales, overview of business operations of major subsidiaries, business strategy and risks involved to enable the Board to discharge its responsibilities effectively and take informed decisions. The Committee makes necessary recommendations to the Board which are relevant from the business, statutory and compliance standpoint and the Board takes into account such suggestions and recommendations before approving/noting the matter placed before them. The action items arising out of the Board and

Committee meetings are duly acted upon and a report on the status of the same is placed before the subsequent meetings of the Committees and the Board.

Documents containing Unpublished Price Sensitive Information are submitted to the Board and Committee Members, at a shorter notice, as per the general consent taken from the Board, from time to time.

The Company Secretary is responsible for collation, review and distribution of all the papers and information to be presented to the Board and Committees thereof. The notice of the Board and Committee Meetings coupled with Agenda notes and relevant attachments is circulated well in advance. The Company Secretary also attends all the Board and Committee Meetings except the Independent Directors' meeting, and prepares and circulates the Minutes as per the statutory timelines and finalizes the same after incorporating the comments, if any, from the Directors.

The Board usually meets four times in a year after end of every quarter. In exceptional circumstances, additional meetings are being held, in case of necessity. During the financial year ended March 31, 2025, four (4) board meetings were held on May 04, 2024, July 28, 2024, November 02, 2024 and February 14, 2025. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days. The necessary quorum was present for all the meetings.

The details of directors' attendance at the AGM and Board meetings are given herein below:

Date of Board Meeting during FY 2024-25	Mr. Ashok Atluri	Mr. Kishore Dutt Atluri	Mr. Ravi Kumar Midathala	Mrs. Shilpa Choudari	Mr. Sanjay Vijay Singh Jesrani	Dr. Ravindra Kumar Tyagi	Dr. Ajay Kumar Singh	Ms. Sirisha Chintapalli	Mr. Durga Prasad Kode*	Total Present	Total Absent
May 04, 2024									NA	100%	0
July 28, 2024									NA	100%	0
November 02, 2024									NA	100%	0
February 14, 2025									NA	100%	0
Date of AGM											
September 14, 2024											
In Person Video Conference Mode NA Not Applicable											

* Appointed with effect from March 28, 2025.

iii) Disclosure of relationship between Directors inter-se:

Mr. Ashok Atluri is the brother of Mr. Kishore Dutt Atluri and the spouse of Mrs. Shilpa Choudari. None of the other Directors are related to any other Director on the Board.

iv) Independent Directors:

Independent Directors play a significant role in the governance processes of the Board by enriching the Board's decision making and also preventing possible conflicts of interest that may emerge in such decision making. The Company has appointed Independent Directors as per the requirements of the Act and SEBI Listing Regulations. The Nomination and Remuneration committee identifies candidates based on certain laid-down criteria and considers the need for diversity of the Board before making its recommendation to the Board.

The Board is responsible for selecting new directors on the recommendations received from the Nomination and Remuneration Committee. After getting appointed, the directors receive a formal letter of appointment which, inter alia, explains the role, functions, duties and responsibilities expected from him/her as a director of the Company. The Director is also briefed in detail about the compliances required to be made under the Act and the SEBI Listing Regulations, and other relevant regulations. By way of an introduction to the Company, the director is presented with the Company profile, annual reports and an overview of the Company's manufacturing facilities.

The terms and conditions of such appointment as mentioned in the appointment letter are also made available on the website of the Company at https://www.zentechologies.com/investor_relations/Terms_and_conditions_of_appointment_of_Independent_Directors.pdf.

The Company has received a declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, the Independent Directors fulfil the conditions of independence

specified in the Act and the SEBI Listing Regulations and are independent of the management.

Further, the Independent Directors have declared that they have complied with Rule 6(1) and (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

A separate meeting of Independent Directors was held on February 14, 2025, without the presence of Executive Directors and other members of management. During this meeting, the Independent Directors inter-alia reviewed the performance of the Non-Independent Directors and the Board as a whole, reviewed the performance of Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the financial year ended March 31, 2025. Dr. Ravindra Kumar Tyagi ceased to be an Independent Director of the Company upon the completion of the tenure with effect from April 01, 2025.

v) Shares held by Non-Executive Directors:

The number of equity shares of the Company held by Non-Executive Directors, as of March 31, 2025 are as follows:

S.No	Name of the Director	No. of shares held
1	Dr. Ravindra Kumar Tyagi	760
2	Dr. Ajay Kumar Singh	Nil
3	Ms. Sirisha Chintapalli	Nil
4	Mr. Sanjay Vijay Kumar Jesrani	21,500
5	Mr. Durga Prasad Kode	1,250

vi) Familiarization programmes:

To familiarize a new Independent Director with the Company, an induction kit containing documents about the Company is provided. It contains, inter alia, information such as its Annual Reports, investor presentations, recent press releases, Organisation chart, Code of Conduct and the Memorandum and Articles of Association.

The details of programs for familiarization of the Independent Directors together with other directors in relation to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and other related matters are made available on the website of the Company at <https://www.zentechnologies.com/investor-information>.

vii) List of core skills/expertise/competencies identified by the Board of Directors:

In terms of requirements of the SEBI Listing Regulations, the Board of Directors have, based on the recommendation of the Nomination and Remuneration Committee, identified the following core skills/expertise/competencies of Directors as required in the context of the Company's business and industry for it to function effectively:

- Knowledge of the industry in which the Company operates
- Knowledge on Company's businesses & major risks
- Leadership and Strategic Planning
- Research & Development
- Finance
- Operations, Sales & Marketing
- Corporate Governance

The table below highlights the core skills/expertise/competencies available with each Director:

Name of Director	Knowledge of the industry in which the Company operates	Knowledge on Company's businesses & major risks	Leadership and Strategic Planning	Research & Development	Finance	Operations, Sales & Marketing	Corporate Governance
Mr. Ashok Atluri	●	●	●	●	●	●	●
Mr. Kishore Dutt Atluri	●	●	●	●	●	●	●
Mr. Ravi Kumar Midathala	●	●	●	●	●	○	●
Mrs. Shilpa Choudari	●	●	●	○	●	●	●
Mr. Sanjay Vijay Singh Jesrani	●	●	●	○	●	●	●
Dr. Ravindra Kumar Tyagi	●	●	●	●	●	●	●
Dr. Ajay Kumar Singh	●	●	●	○	●	●	●
Ms. Sirisha Chintapalli	●	●	●	○	●	○	●
Mr. Durga Prasad Kode	●	●	●	○	●	●	●

● Yes ○ No

viii) Code of Conduct

The Board has laid down two separate Codes of Conduct, one for all the Board Members and the other for Senior Management of the Company. These Codes have been posted on the Company's website at <https://www.zentechnologies.com/policies-and-code-of-conduct>. All the Board members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Chairman and Managing Director to this effect is enclosed at the end of this Report.

4) COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles that are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of the Committees are placed before the Board for review. The Chairman of the Committees

apprises periodically about the working of the Committees to the Board. The Board has established the statutory and non-statutory committees. The details of statutory committees here by given in the Corporate Governance Report.

The Composition of the Board Committees are available on the Company's website at <https://www.zentechologies.com/leader/board-committees>.

A) AUDIT COMMITTEE:

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting to ensure adequate, accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The Committee oversees the work carried out by the management, statutory auditors and internal auditors about the financial reporting process and the safeguards employed by them.

Constitution of the Committee:

The constitution of the Audit Committee is in accordance with Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

As on March 31, 2025, the Audit Committee comprises of Mr. Sanjay Vijay Singh Jesrani, Chairman, Mr. Ashok Atluri, Dr. Ravindra Kumar Tyagi and Dr. Ajay Kumar Singh as members.

Brief description of terms of reference:

The terms of reference of this Committee are as per Regulation 18 of the SEBI Listing Regulations read with Part C of Schedule II of the SEBI Listing Regulations, as amended and Section 177 and other applicable provisions of the Companies Act, 2013 and, inter-alia, include:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
- reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Approval of appointment of Chief Financial Officer;
- Any other function as delegated by the Board from time to time and as required under the applicable laws & regulations.

Meeting:

During the year, the Audit Committee met 4 (four) times on May 04, 2024; July 28, 2024; November 02, 2024 and February 14, 2025 and the attendance of members is as follows:

Date of Audit Committee Meeting during FY 2024-25	Mr. Sanjay Vijay Singh Jesrani	Dr. Ravindra Kumar Tyagi	Dr. Ajay Kumar Singh	Mr. Ashok Atluri	Total Present	Total Absent
May 04, 2024					100%	0
July 28, 2024					100%	0
November 02, 2024					100%	0
February 14, 2025					100%	0

The Internal and Statutory Auditors of the Company discuss their findings and updates, and submit their views to the Committee. The Company Secretary acts as the Secretary to the Committee. Mr. Sanjay Vijay Singh Jesrani, Non-Executive Independent Director and Chairman of the Committee was present at the Annual General Meeting of the Company held on September 14, 2024.

B) NOMINATION AND REMUNERATION COMMITTEE (NRC):

The Nomination and Remuneration Committee is empowered to oversee the Company's Policies relating to the Nomination and evaluation of every Director's performance and to determine the Company's Policies relating to Remuneration of the Directors, Senior Management of the Company.

Constitution of the Committee:

The constitution of the Nomination and Remuneration Committee is in accordance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

As on March 31, 2025, the Nomination and Remuneration Committee comprises of Mr. Sanjay Vijay Singh Jesrani, Chairman, Dr. Ravindra Kumar Tyagi, Dr. Ajay Kumar Singh and Ms. Sirisha Chintapalli as members.

Brief description of terms of reference:

The terms of reference of the Nomination and Remuneration Committee are in accordance with and covers all the matters

Meeting:

During the year, the Nomination and Remuneration Committee met 4 (four) times on May 04, 2024; July 28, 2024; November 02, 2024 and February 14, 2025 and the attendance of members is as follows:

Date of Nomination and Remuneration Committee Meeting during FY 2024-25	Mr. Sanjay Vijay Singh Jesrani	Dr. Ravindra Kumar Tyagi	Dr. Ajay Kumar Singh	*Ms. Sirisha Chintapalli	Total Present	Total Absent
May 04, 2024				NA	100%	0
July 28, 2024				NA	100%	0
November 02, 2024				NA	100%	0
February 14, 2025				NA	100%	0

* Ms. Sirisha Chintapalli was inducted w.e.f. March 01, 2025.

The Company Secretary acts as the Secretary to the Committee. Mr. Sanjay Vijay Singh Jesrani, Non-Executive Independent Director and Chairman of the Committee was present at the Annual General Meeting of the Company held on September 14, 2024.

Nomination and Remuneration Policy:

The Company has in place Nomination and Remuneration Policy for appointment of Independent Director on the Board of the Company. This Policy, inter alia, lists the process to be followed for appointment of Independent Director(s), criteria for shortlisting the candidates and critical attributes and factors for determining their remuneration, their induction and training.

The Nomination and Remuneration policy is available on the website of the Company at <https://www.zentechnologies.com/policies-and-code-of-conduct>

Performance evaluation criteria for Directors:

In terms of Section 134 (3) of the Act read with SEBI Listing Regulations, the Company had laid down the criteria for reviewing the performance of the Board, its Committees and individual Directors. The evaluation process of Directors inter alia considers attendance of the Directors at Board and Committee

specified under Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations read with Part D of Schedule II of the SEBI Listing Regulations, and, inter alia, include:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- recommend to the board, all remuneration, in whatever form, payable to senior management.

meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy etc.

In compliance with the provisions of the Act and Regulation 17(10) of the SEBI Listing Regulations, to improve the effectiveness of the Board and its Committees, as well as that of each individual Director, a formal Board evaluation is undertaken on an annual basis.

During the year, an annual evaluation of the performance of the Board of Directors, its various Committees, and individual Directors was conducted in accordance with the established evaluation framework. The ratings, recommendations and suggestions arising from this evaluation were compiled into a report, which was subsequently presented to the Board for its review and consideration.

The evaluation process broadly covers the following parameters:

- Board –**
 - Board structure and composition,
 - Board meetings, information flow and agenda,

- Board culture, relationships and dynamics,
- Strategy, business performance,
- Succession planning,
- Risk management,
- Continuous improvement, etc.

ii) Board Committees –

- Overall Committees of the Board,
- Composition and diversity,
- Leadership of the Chair,
- Meetings frequency and duration,
- Succession planning of the Committee members,
- Interaction with management, quality of discussions,
- Stay abreast of novel scientific and technological developments and innovations,
- Quality of agenda and supporting documents, etc.

iii) Individual Directors –

- Attendance in meetings,
- experience and expertise,
- participation and contribution in Board deliberation,
- preparedness in subjects,
- understanding of governance, regulatory, financial and fiduciary requirements,
- stay up to date and brings insight on the industry,
- up to date on corporate governance trends and development,
- focused on improving shareholders value,
- understanding of organization's strategy and risk environment, sufficiently challenges management to set and stretch goals,
- maintain high standards of ethics, integrity, confidentiality and adherence to the Code of Conduct,
- strong desire to make the Board an even better version of itself, etc.

iv) Chairman –

- Evaluated on the above parameters for individual Directors,
- evaluated on effective leadership,
- moderatorship and conduct of impartial discussions,
- seeking participation from Board members, and

- availability for other Board members and constructive feedback.

The Board of Directors were satisfied with the evaluation process and outcome, Directors engagement, experience, diversity and expertise. The Board Committees were also found to be effective in terms of its composition, functioning and contribution. The evaluation process acknowledged that the Board and Board committees have spent sufficient time on future business strategies and other long term and short term growth plans, operational matters including review of business and functional updates, financial results and other regulatory approvals, governance matters and internal controls.

C) STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC):

The Stakeholders' Relationship Committee is empowered to perform the functions of the board relating to the handling of queries and grievances of security holders.

Constitution of the Committee:

The constitution of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

As on March 31, 2025, the Stakeholders' Relationship Committee comprises of Ms. Sirisha Chintapalli, Chairperson, Mr. Sanjay Vijay Singh Jesrani and Mr. Ashok Atluri as members.

Brief description of terms of reference:

The terms of reference of the Stakeholders' Relationship Committee are in accordance with and covers all the matters specified under Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations read with Part D of Schedule II of the SEBI Listing Regulations, and, inter alia, include:

- Review investor complaints and their redressal;
- Review measures are taken for effective exercise of voting rights by shareholders;
- Review work done by the share transfer agent including adherence to the service standards;
- Review of corporate actions related to security holders;
- Review initiatives for reduction of quantum of unclaimed dividends and ensure timely receipt of dividend/annual report/statutory notices.

Meeting:

During the year, the Stakeholders' Relationship Committee met 1 (One) time on February 14, 2025 and the attendance of members is as follows:

Date of Stakeholders Relationship Committee Meeting during FY 2024-25	Ms. Sirisha Chintapalli	Mr. Sanjay Vijay Singh Jesrani	Mr. Ashok Atluri	Total Present	Total Absent
February 14, 2025				100%	0

Mr. Sourav Dhar, Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee. Ms. Sirisha Chintapalli, Non-Executive Independent Director and Chairperson of the Committee was present at the Annual General Meeting of the Company held on September 14, 2024.

The Company received one complaint during the financial year 2024-25, which was duly resolved. As on March 31, 2025, no complaint was pending.

D) RISK MANAGEMENT COMMITTEE (RMC):

The Committee was constituted by the Board of Directors with its prime responsibility to implement and monitor the risk management plan and policy of the Company.

Constitution of the Committee:

The constitution of the Risk Management Committee is in accordance with applicable provisions of the Act and Regulation 21 of the SEBI Listing Regulations.

As on March 31, 2025, the Risk Management Committee comprises of Mr. Sanjay Vijay Singh Jesrani, Chairman, Mr. Ashok Atluri, Mr. Ravi Kumar Midathala, Dr. Ajay Kumar Singh and Mr. Kishore Dutt Atluri as members.

Brief description of terms of reference:

The terms of reference of the Risk Management Committee are in accordance with and covers all the matters specified under applicable provisions of the Act and Regulation 21 of the SEBI

Listing Regulations read with Part D of Schedule II of the SEBI Listing Regulations, and, inter alia, include:

- Review the detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- Monitor and oversee implementation of the risk management policy, including evaluation of the adequacy of risk management systems.
- Ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company.

Meeting:

During the year, the Risk Management Committee met 2 (two) times on July 28, 2024 and February 14, 2025 and the attendance of members is as follows:

Date of Risk Management Committee Meeting during FY 2024-25	Mr. Sanjay Vijay Singh Jesrani	Mr. Ashok Atluri	Mr. Ravi Kumar Midathala	Dr. Ajay Kumar Singh	*Mr. Kishore Dutt Atluri	Total Present	Total Absent
July 28, 2024					NA	100%	0
February 14, 2025					NA	100%	0

* Mr. Kishore Dutt Atluri inducted w.e.f. March 01, 2025

E) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

The Corporate Social Responsibility Committee has been entrusted with the specific responsibility of reviewing corporate social responsibility programs. The scope of the Committee. also includes approving the budget for CSR activities, reviewing the CSR programs, formulation of annual action plan and monitoring CSR spending.

Constitution of the Committee:

The constitution of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Act and applicable provisions of the SEBI Listing Regulations.

As on March 31, 2025, the Corporate Social Responsibility Committee comprises of Ms. Sirisha Chintapalli, Chairperson,

Mrs. Shilpa Choudari, Mr. Ashok Atluri, Mr. Ravi Kumar Midathala and Dr. Ravindra Kumar Tyagi as members.

Brief description of terms of reference:

The terms of reference of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Act and applicable provisions of the SEBI Listing Regulations and, inter alia, include:

- Formulate, review and recommend to the Board the CSR policy containing guiding principles for selection, implementation and monitoring of CSR activities as specified under Schedule VII of the Act;
- Formulate and recommend to the Board (including any revisions thereto), an annual action plan in pursuance of the CSR policy and have oversight over its implementation;
- Recommend the amount to be spent on CSR activities and review reports on the performance of CSR.

Meeting:

During the year, the Corporate Social Responsibility Committee met 2 (two) times on May 04, 2024 and November 02, 2024 and the attendance of members is as follows:

Date of Corporate Social Responsibility Committee Meeting during FY 2024-25	Dr. Ravindra Kumar Tyagi	Mr. Ashok Atluri	Mr. Ravi Kumar Midathala	*Mrs. Shilpa Choudari	*Ms. Sirisha Chintapalli	Total Present	Total Absent
May 04, 2024				NA	NA	100%	0
November 02, 2024	AB			NA	NA	67%	33%

*Mrs. Shilpa Choudari and Ms. Sirisha Chintapalli was inducted w.e.f. March 01, 2025.

5) REMUNERATION OF DIRECTORS:

a) Executive Directors:

The remuneration of Executive Directors of the Company comprises of fixed and variable components which is based on the Nomination and Remuneration Policy of the Company and as recommended by Nomination and Remuneration Committee and the remuneration paid to them for the financial year 2024-25 is as below and are in line with the applicable provisions of the Act, Rules and SEBI Listing Regulations made thereunder as amended from time to time.

S.No	Name	Designation	Salary	Perquisites	Commission	Total amount (₹ in Lakhs)
1)	Mr. Ashok Atluri	Chairman and Managing Director	210.00	25.98	1055.97	1291.95
2)	Mr. Kishore Dutt Atluri	President and Joint Managing Director	210.00	5.98	930.65	1146.63
3)	Mr. Ravi Kumar Midathala	Whole Time Director	72.60	1.47	0	74.07
4)	Mrs. Shilpa Choudari	Whole Time Director	59.00	0.85	0	59.85

b) Service contracts, notice period, severance fees:

The Company has entered service contract/issued appointment letter with executive directors having a 3 months' notice period. The Company also has issued appointment letter to Non-Executive Independent Director as prescribed by the Act, SEBI Listing Regulations and applicable regulations.

c) Non-Executive Directors:

Sitting fees is paid to the Non-Executive Directors for attending the Board Meetings and Audit Committee Meetings and such amounts are paid within the ceiling limits under Act. There were no pecuniary relationship or transactions entered by the Non-Executive Directors with the Company during the period under review except for sitting fees. The details of the sitting fees paid to Non- Executive Directors of the Company for the Financial Year 2024-25 is given below:

S.No	Name	Designation	Total amount (₹ in Lakhs per annum)
1)	Mr. Sanjay Vijay Singh Jesrani	Non Executive Independent Director	5.00
2)	Ms. Sirisha Chintapalli	Non Executive Independent Director	2.50
3)	Dr. Ravindra Kumar Tyagi	Non Executive Independent Director	5.00
4)	Mr. Durga Prasad Kode*	Non Executive Independent Director	-

* Mr. Durga Prasad Kode was appointed with effect from March 28, 2025.

** Dr. Ajay Kumar Singh has waived off his sitting fee for attending the Board and Committee meetings during the FY 2024-25.

d) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

The Company has not granted any stock option to any of its Directors.

6) GENERAL BODY MEETINGS:

Annual General Meeting:

The details of the preceding three years Annual General Meetings are as under:

Financial Year	Date and Time	Venue	Number of special resolution(s) passed
2023-24	September 14, 2024 at 11.00 a.m. (IST)	Video Conference (VC)/Other Audio Visual Means (OAVM)	Nil
2022-23	September 16, 2023 at 11.00 a.m. (IST)	Video Conference (VC)/Other Audio Visual Means (OAVM)	5
2021-22	September 29, 2022 at 11.00 a.m. (IST)	Video Conference (VC)/Other Audio Visual Means (OAVM)	9

Extraordinary General Meetings:

No Extra-Ordinary General Meetings of the members of the Company were held during the period under review and during the three preceding financial years.

Postal Ballot:

i) Person who conducted the Postal ballot exercise

The Company has appointed Mr. D. S. Rao, Practicing Company Secretary, (Membership No. ACS 12394; and CP No. 14487) as Scrutinizer to conduct the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.

ii) Procedure for Postal Ballot

Pursuant to Section 108, Section 110 and other applicable provisions, if any, of the Act, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020

dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 5, 2022, General Circular No. 11/2022 dated December 28, 2022, General Circular No. 9/2023 dated September 25, 2023 and General Circular No. 09/2024 dated September 19, 2024 issued by Ministry of Corporate Affairs ("MCA Circulars"), read with Regulation 44 of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS2) including any statutory modification or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations, that the following special resolutions were passed by the Members of the Company through postal ballot by remote e-voting process during the Financial year 2024-25.

a) Appointment of Mr. Sanjay Vijay Singh Jesrani (DIN: 02306916) as Independent Director of the Company

Promoters/ Public	Mode of Voting Type	No of Shares held (1)	No of Votes Polled (2)	% of Votes Polled on shares held (3)=((2)/ (1)*100)	No. of Votes in Favour (4)	No of Votes -Against (5)	% of Votes in favour on Votes Polled (6)=((4)/ (2)*100)	% of Votes against on Votes Polled (7)=((5)/ (2)*100)
Promoter & promoter group	E voting	46,285,483	44,981,483	97.18	44,981,483	0	100.00	0
Public institution		3,780,202	20,96,719	55.46	20,96,719	0	100.00	0
Public non institution		33,978,575	2,554,866	7.51	2,551,487	3,379	99.86	0.132
Total		84,044,260	49,633,068	59.05	49,629,689	3,379	99.993	0.007

b) Appointment of and Remuneration payable to Mr. Arjun Dutt Atluri, a related party, as Vice President

Promoters/ Public	Mode of Voting Type	No of Shares held (1)	No of Votes Polled (2)	% of Votes Polled on shares held (3)=((2)/ (1)*100)	No. of Votes in Favour (4)	No of Votes -Against (5)	% of Votes in favour on Votes Polled (6)=((4)/ (2)*100)	% of Votes against on Votes Polled (7)=((5)/ (2)*100)
Promoter & promoter group	E voting	46,285,483	43,981,483	95.022	43,981,483	0	100.00	0
Public institution		3,780,202	20,96,719	55.466	1334702	7,62,017	63.657	36.343
Public non institution		33,978,575	2,554,796	7.519	422,576	2,132,220	16.54	83.46
Total		84,044,260	48,632,998	57.866	45,738,761	2,894,237	94.049	5.951

c) Approval for raising of funds by way of issuance equity shares or any other eligible securities

Promoters/ Public	Mode of Voting Type	No of Shares held (1)	No of Votes Polled (2)	% of Votes Polled on shares held (3)=((2)/ (1)*100)	No. of Votes in Favour (4)	No of Votes -Against (5)	% of Votes in favour on Votes Polled (6)=((4)/ (2)*100)	% of Votes against on Votes Polled (7)=((5)/ (2)*100)
Promoter & promoter group	E voting	46,285,483	44,981,483	97.183	44,981,483	0	100.00	0
Public institution		3,780,202	2096716	55.466	20,47,809	48,907	97.667	2.333
Public non institution		33,978,575	2,554,941	7.519	2,552,343	2,598	99.898	0.102
Total		84,044,260	49,633,140	59.056	49,581,635	51,505	99.896	0.104

d) Enhancement of the existing limit under Section 186 of the Companies Act, 2013

Promoters/ Public	Mode of Voting Type	No of Shares held (1)	No of Votes Polled (2)	% of Votes Polled on shares held (3)=((2)/ (1)*100)	No. of Votes in Favour (4)	No of Votes -Against (5)	% of Votes in favour on Votes Polled (6)=((4)/ (2)*100)	% of Votes against on Votes Polled (7)=((5)/ (2)*100)
Promoter & promoter group	Evoting	46,285,483	44,981,483	97.183	44,981,483	0	100.00	0
Public institution		3,281,641	19,90,238	60.648	11,44,845	8,45,393	57.523	42.477
Public non institution		34,477,136	2,481,470	7.197	2,72,263	2,209,207	10.972	89.028
Total		84,044,260	49,453,191	58.842	46,398,591	3,054,600	93.823	6.177

7) MEANS OF COMMUNICATION:

• Quarterly and annual results:

Quarterly and annual results of the Company are published in widely circulated national newspapers such as the Financial Express (All Editions) and the local vernacular daily, Nava Telangana. These are also made available on the Company's website at www.zentechnologies.com.

• News and Media Release:

The official news and media releases are disseminated to the stock exchanges and displayed on the Company's website.

• Earning calls and presentations to Institutional Investors/Analysts:

The Company organises an earnings call with analysts and investors after the announcement of financial results. The transcript and audio recording of the earnings call is also uploaded on the Company's website as well as filed with the stock exchanges where the securities of the Company are listed. Presentations made to institutional investors and financial analysts on the financial results is filed with the stock exchanges and uploaded on the Company's website.

• Website:

The primary source of information regarding the Company's operations is the Company's website at www.zentechnologies.com, where all official news releases and presentations made to institutional investors and analysts are

posted. It contains a separate dedicated investors section, as required under Regulation 46(2) of the SEBI Listing Regulations, where the information for members is available.

• Annual Report:

The Company's Annual Report containing, inter alia, the Board's Report, Additional Shareholders Information, the Corporate Governance Report, the Business Responsibility and Sustainability Report, Management's Discussion and Analysis (MD&A), Audited Standalone and Consolidated Financial Statements, Auditors' Report and other important information are circulated to members and others so entitled. The Annual Report is also available on the Company's website in a user-friendly and downloadable form.

• Reminder to investors:

Reminders to collect unclaimed dividend on shares are sent to the relevant shareholders.

• Compliances with stock exchanges:

The Company disseminates the requisite corporate announcements including the SEBI Listing Regulations compliances through NSE Electronic Application Processing System (NEAPS)/BSE Corporate Compliance & Listing Centre. The NEAPS/BSE's Listing Centre is a web-based application and periodical filings like shareholding pattern, corporate governance report, financial results, material/price sensitive information, etc. are filed electronically on such designated platforms.

8) GENERAL SHAREHOLDER INFORMATION:

a) 32nd Annual General Meeting:

Day and Date	Saturday, August 23, 2025
Time	9 : 30 a.m. (IST)
Venue	In compliance with General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs and SEBI vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024, AGM will be conducted through Video Conference (VC)/Other Audio Visual Means (OAVM). The deemed venue for the AGM shall be the registered office of the Company situated at B-42, Industrial Estate, Sanathnagar, Hyderabad, Telangana, 500018.

b) Financial year:

The Company follows April 01 to March 31 as the financial year.

c) Final Dividend:

The Board of Directors have recommended final dividend of ₹ 2 per equity share of face value of ₹ 1 each, for approval of members at the 32nd AGM. The final dividend, if approved by the members, would be paid within 30 days of AGM to those members whose name appears in the Register of Members as on the Record Date i.e, August 15, 2025. For more details, refer to the 'TDS Instructions on Dividend Distribution' which forms part of the notice convening the 32nd AGM. Details of unclaimed dividend(s) liable to be transferred to IEPF during FY26 are outlined in the Board's Report and Notice convening the 32nd AGM.

d) Listing of Equity Shares on Stock Exchanges:

Equity Shares of the Company are listed on the following stock exchanges:

Name of Stock Exchanges	Address of Stock Exchanges	Stock Code/Symbol
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	ZENTEC
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	533339

The Company has paid the annual listing fees for FY25 to the above stock exchanges and annual custodial fees to NSDL & CDSL.

e) There was no suspension of trading in Securities of the Company during the year under review.

f) Registrars and Share Transfer Agents:

KFin Technologies Limited is the Registrar and Share Transfer Agent of the Company. Any request pertaining to investor services may be addressed to the following address:

KFin Technologies Limited

Unit: Zen Technologies Limited
Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad – 500 032
Phone: +91 -40 - 67161605
Fax: + 91- 40 - 23001153
Website: <https://ris.kfintech.com>
Email id: inward.ris@kfintech.com

g) Share Transfer system:

Transfer of shares in electronic form are processed and approved by NSDL/CDSL through their Depository Participant(s), without involvement of the Company.

h) Distribution of Shareholding as on March 31, 2025:

S. No.	Category	No. of Shareholders	%	No. of Shares	%
1	1-5000	2,82,655	99.78	2,12,04,331	23.48
2	5001- 10000	285	0.10	20,77,159	2.30
3	10001- 20000	167	0.06	23,86,195	2.64
4	20001- 30000	58	0.02	14,38,173	1.59
5	30001- 40000	28	0.01	9,74,909	1.08
6	40001- 50000	24	0.01	10,94,938	1.21
7	50001- 100000	25	0.01	17,30,730	1.92
8	100001& Above	47	0.02	5,93,83,921	65.77
Total:		2,83,289	100.00	9,02,90,356	100.00

i) Dematerialization of shares & liquidity and updation of KYC:

The Company has dematerialized its equity shares with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2025, 99.90% of the Company's paid-up share capital was held in dematerialized form. Particulars of number of shares held in dematerialized and physical form, are as under:

Particulars	Number of shares	% of paid-up capital
Held in dematerialized form in NSDL	7,32,33,204	81.11%
Held in dematerialized form in CDSL	1,69,66,892	18.79%
Held in physical form	90,260	0.1 %
TOTAL	9,02,90,356	100.00%

Members are advised to convert their physical shareholding into electronic holding in order to mitigate the risks associated with holding physical share certificates and also derive other benefits of dematerialization, such as easy liquidity, electronic transfer, etc. Pursuant to an amendment in the SEBI Listing Regulations effective from April 1, 2019, any request for transfer of shares shall be processed for shares held in dematerialized form only. Further, SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated to issue securities in dematerialized form only, while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting; consolidation of securities certificates; transmission and transposition.

SEBI vide Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 and Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has mandated all listed entities to ensure that shareholders holding shares in physical form shall update their PAN, KYC, Nomination and Bank account details (if not updated or provided earlier) through the Registrar & Share Transfer Agent.

Members are requested to update these details by submitting the forms available on the link at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.

Members holding shares in dematerialized form are requested to intimate changes, if any in their address, e-mail id, bank account details etc. to their Depository Participant (DP)/Registrars & Share Transfer Agent (RTA).

j) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible Instruments and therefore there are no outstanding instruments.

k) Commodity Price Risk or Foreign Exchange risk and hedging activities:

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities; hence same are not applicable to the Company.

l) Plant Location(s):

The Company has a plant situated at Plot No.35, 36 & 37, Kancha Imarath, Near Ravirala Village, Hardware Park, Ranga Reddy District - 501 510, Telangana, India.

m) Address for correspondence:

Registrar and Share Transfer Agents:	Company Officer:
KFin Technologies Limited Unit: Zen Technologies Limited Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 Phone: +91 -40 - 67161606 Fax: + 91- 40 - 23001158 Email id: einward.ris@kfintech.com	Sourav Dhar Company Secretary and Compliance Officer Zen Technologies Limited, B-42, Industrial Estate, Sanathnagar, Hyderabad - 500 018, Telangana, India Phone: +91-40 - 23814894, 23813294 Fax: +91-40 - 23813694 Email id: cosec@zentechnologies.com

n) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

The Company's credit ratings from CRISIL Ratings (CRISIL) on long term borrowings is "CRISIL A/Positive (Upgraded from 'CRISIL A/Stable') and on short term borrowings is "CRISIL A1".

9) OTHER DISCLOSURES:

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large:

All related party transactions that were entered into during FY 2024-25 were on an arm's length basis and, in the ordinary course of business and were in compliance with the applicable provisions of the Act, and the SEBI Listing Regulations. There were no materially significant related party transactions entered into by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. The Company has not entered into any transaction with any person or entity belonging to the Promoter/Promoter Group which holds(s) 10% or more shareholding in the Company and has not given any loan to any firm/Company in which Directors of the Company are interested. Prior approval of Audit Committee was sought for all the related party transactions and Audit Committee on a quarterly basis has reviewed all RPTs vis-à-vis approvals accorded by it.

During FY 2024-25, members at their 31st Annual General Meeting accorded approval for entering into Material Related Party Transactions with Unistring Tech Solutions Private Limited, Subsidiary Company up to an amount of ₹ 1,00,000 Lakhs.

In compliance with Regulations 34(3) of SEBI Listing Regulations and the Accounting Standard 18, transactions with related parties are disclosed in the notes to accounts.

The Policy on Related Party Transactions as approved by the Board is placed on the website of the Company at <https://www.zentechologies.com/policies-and-code-of-conduct>

b) Details of non-compliance by the Company and/or penalties & strictures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

There is no instance of non-compliance by the Company or penalty and/or stricture imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital market, during the last three years. Further, there is no non-compliance of any requirement of Corporate Governance Report as prescribed under sub-para (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations.

c) Vigil mechanism/Whistle Blower Policy:

The Board of Directors of the Company had adopted the Whistle Blower policy. The Company has established a mechanism

for employees and Directors to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct etc. The employees have been provided direct access to the Chairman of the Audit Committee. The mechanism also emphasis on making enquiry into whistle blower complaint received by the Company. The Audit Committee reviews periodically the functioning of the whistle blower mechanism. No employee has been denied access to the Audit Committee.

A copy of the Whistle Blower Policy is hosted on the Company's website at <https://www.zentechologies.com/policies-and-code-of-conduct>

During the year under review, no complaints were received under this mechanism.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as per SEBI Listing Regulations and is in the process of implementing the non-mandatory requirements.

e) Policy for determining material subsidiaries

The Company has formulated a policy for determining material subsidiaries in terms of Regulation 16 of the SEBI Listing Regulations. This Policy is hosted on the Company's website at <https://www.zentechologies.com/policies-and-code-of-conduct>.

The Audit Committee and Board reviews the financial statements, significant transactions and minutes of the subsidiaries.

f) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI Listing Regulations::

During the year under review, the Company raised ₹ 1,00,000 Lakhs through a Qualified Institutions Placement (QIP). Pursuant to the approval of the Board in its meeting held on January 27, 2024 and the approval of the Members of the Company through postal ballot on March 08, 2024, the Company had issued and allotted 62,46,096 Equity Shares of face value ₹ 1 each at a price of ₹ 1,601 per equity share, including a premium of ₹ 1,600 per Equity Share aggregating to ₹ 1,00,000 Lakhs to Qualified Institutional Buyers on August 23, 2024.

Pursuant to the provisions of Regulation 32(7A) of the SEBI Listing Regulations, the statement of utilization of the net proceeds of QIP as on March 31, 2025, is mentioned below:

Sr. No.	Object for which funds have been utilized	Funds Allocated (₹ in Lakhs)	Funds Utilized (₹ in Lakhs)
1	Funding working capital requirements of the Company	41,000	37,126
2	Funding inorganic growth through acquisitions and other strategic initiatives	35,000	10,570
3	General corporate purposes	21,951	9,316
4	Issue Expense	2,049	2,049
	TOTAL	1,00,000	59,061

g) Certificate from Practising Company Secretary:

A certificate from a Company Secretary in Practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed separately to this report.

h) Acceptance of the recommendations of the Committees by the Board of Directors:

All the recommendations of the Committees were accepted by the Board of Directors of the Company during the financial year 2024-25.

i) Details of fees paid to the statutory auditors:

Given below are the details of fees paid to M/s. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants, Statutory Auditors of the Company during the financial year ended March 31, 2025:

Sr. No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid (₹ in Lakhs)
1	Fees for Audit and related services	15.00
2	Fees for Non-Audit services	33.65
	TOTAL	48.65

j) Disclosures in relation to the sexual harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013:

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and rules made thereunder, the Company has formed an Internal Complaints Committee (ICC) for its workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has a detailed policy for the prevention of sexual harassment at the workplace, which ensures a free and fair inquiry process with clear timelines for resolution.

The details of complaints received/resolved during the year under review are given below:

Sr. No.	Particulars	Number of complaints
1	Number of complaints pending at the beginning of FY25	0
2	Number of complaints filed during FY25	0
3	Number of complaints disposed off during FY25	0
4	Number of complaints pending as at end of FY25	0

k) Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

The Company and its subsidiaries have not granted loans and advances in the nature of loans to firms/Companies in which Directors of the Company are interested.

l) Details of material subsidiaries of the Company, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Particulars	Details of Material Subsidiaries	
Name of material subsidiary	Unistring Tech Solutions Private Limited	Applied Research International Private Limited
Date and place of incorporation	February 06, 2007, Hyderabad	December 02, 1998, Delhi
The name of the statutory auditors	M/s. Dendukuri Associates, Hyderabad	M/s. G.M. Kapadia & Co, Delhi
Date of appointment of Statutory Auditors	September 18, 2024	August 13, 2024

m) Details of compliance with mandatory requirements and adoption of Discretionary Requirements:

The Company has adopted/complied with the discretionary requirements specified in Part E of Schedule II as detailed below:

i. The Board:

The Chairman of the Company is an Executive Director and maintains the Chairman's office at the Company's expenses for the performance of his duties.

ii. Shareholders' rights:

All the quarterly financial results are submitted to both the stock exchanges and are simultaneously placed on the website of the Company at <https://www.zentechnologies.com/half-yearly-quarterly-results> apart from publishing the same in the newspapers.

iii. Audit qualifications:

The auditors have not qualified the financial statements of the Company.

iv. Reporting of internal audit:

The Internal Auditor quarterly updates the Audit Committee on internal audit findings at the Committee's meetings.

n) The disclosures of the compliance with corporate governance report specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations are as follows:

Regulation	Particulars of regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
17A	Maximum Number of Directorship	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	Yes
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
24A	Secretarial Audit	Yes
25	Obligations with respect to Independent directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46	Website	Yes

o) Disclosure of certain types of agreements binding the Company:

There are no agreements entered into by the shareholders or promoters or promoter group entities or related parties or Directors or key managerial personnel or employees of the Company or its subsidiaries which either directly or indirectly or have the potential to impact the management or control of the Company by imposing any restrictions or creating any liability upon the Company as specified in Clause 5A of Paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

p) MD and CFO Certificate:

In accordance with the provisions of Regulation 17(8) of the SEBI Listing Regulations, certificate of Chairman and Managing Director and CFO in relation to the financial statements for the year ended March 31, 2025, is enclosed separately to this Report.

q) Auditors' Certificate on Corporate Governance:

As required by Schedule V of the SEBI Listing Regulations, the Certificate on Corporate Governance issued by Practising Company Secretary is enclosed separately to this Report.

r) Code of conduct for prevention of insider trading:

The Company has in place a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives of Designated Persons ("Code of Conduct") which provides a framework for dealings in securities by Designated Persons of the Company as required by the listed Companies pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations").

Trading window closure notice is disseminated to all the directors and designated persons and to concerned stock exchanges in advance. Violations of the policy, if any, are appropriately acted on and reported to the SEBI/Stock Exchanges. The Company also maintains a Structured Digital Database, as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and has also implemented an online application for approving preclearances to insiders, who intend to trade in the securities of the Company.

The Company Secretary is appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Regulations. As per the Statutory Requirements, the matters related to the Insider Trading Regulations are reported to the Audit Committee as and when required.

s) Disclosures with respect to demat suspense account/unclaimed suspense account: Not Applicable

t) Details of Senior Management:

List of Senior Management Personnel:

S.No	Name	Designation
1)	Mr.Ashok Atluri	Chairman and Managing Director
2)	Mr. Kishore Dutt Atluri	President and Joint Managing Director
3)	Mr. Ravi Kumar Midathala	Whole Time Director
4)	Mrs. Shilpa Choudari	Whole Time Director
5)	Mr. Afzal Harunbhai Malkani	Chief Financial Officer
6)	Mr. Sourav Dhar	Company Secretary & Compliance Officer
7)	Ms. Gowri Chintala Siddamshetty	Chief Human Resource Officer

Changes in Senior Management Personnel during the financial year:

S.No	Name	Designation	Details of Change	Effective Date
1)	Mr. M. Raghavendra Prasad	Company Secretary & Compliance Officer	Resignation	September 24, 2024
2)	Mr. Sourav Dhar	Company Secretary & Compliance Officer	Appointment	November 02, 2024
3)	Ms. Gowri Chintala Siddamshetty	Chief Human Resource Officer	Appointment	February 14, 2025

Certificate on Compliance with Code of Conduct

To

The Members of Zen Technologies Limited

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's Website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect for the Financial Year ended March 31, 2025.

For and on behalf of the Board

Place: Hyderabad
Date: May 17, 2025

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Compliance Certificate

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]]

We, Chairman and Managing Director, and Chief Financial Officer of Zen Technologies Limited ('the Company'), certify that:

- A. We have reviewed the Audited financial results of the Company, both Standalone and Consolidated, for the financial year ended on March 31, 2025, and that to the best of our knowledge and belief:
 - i. these results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these results together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered by the Company during the financial year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the financial year ended on March 31, 2025;
 - ii. significant changes in accounting policies during the financial year ended on March 31, 2025, and that the same have been disclosed in the notes to the financial results, if any; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Zen Technologies Limited

Place: Hyderabad
Date: May 17, 2025

Afzal Harunbhai Malkani
Chief Financial Officer

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Practicing Company Secretaries' Certificate on Corporate Governance

To
The Members
Zen Technologies Limited
B-42, Industrial Estate, Sanathnagar
Hyderabad- 500018

We have examined the compliance of the conditions of Corporate Governance by Zen Technologies Limited (hereinafter referred to as "the Company") for the year ended **March 31, 2025**, as stipulated in Chapter IV of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the Corporate Governance Report in accordance with the established systems and procedures selected by me depending on our judgement, including assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but are not limited to, verification of secretarial records and other information of the Company, as I deem necessary to arrive at an opinion.

Based on the procedures performed by me as mentioned above and according to the information and explanations provided to me, I am in the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended **March 31, 2025**.

We further state that such compliance is neither an assurance as to the financial viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: May 17, 2025

FOR P.S.RAO & ASSOCIATES
COMPANY SECRETARIES

CS P.S. RAO
FCS No. 10322
C.P. No. 3829
UDIN: F010322G000368295
PEER REVIEW CER NO. 6678/2025

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) read with clause (10)(i) of Para C of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
Zen Technologies Limited
B-42, Industrial Estate, Sanathnagar
Hyderabad- 500018

We have examined the relevant registers, records, forms, returns and disclosures received from the directors of Zen Technologies Limited having CIN: L72200TG1993PLC015939 and having registered office at B-42, Industrial Estate, Sanathnagar, Hyderabad, Telangana- 500018 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the directors on the Board of the Company as stated below, for the financial year ending on 31st March, 2025, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

S.No	Name of Director	Nature/Category of Directorship	Director Identification Number (DIN)
1	ASHOK ATLURI	Chairman & Managing Director	00056050
2	KISHORE DUTT ATLURI	Joint Managing Director	09691242
3	RAVI KUMAR MIDATHALA	Whole-time Director	00089921
4	SHILPA CHOUDARI	Whole-time Director	06646539
5	@RAVINDRA KUMAR TYAGI	Independent Director	01509031
6	SIRISHA CHINTAPALLI	Independent Director	08407008
7	AJAY KUMAR SINGH	Independent Director	08532830
8	SANJAY VIJAY SINGH JESRANI	Independent Director	02306916
9	*KODE DURGA PRASAD	Independent Director	07946821

@ Ceased to be the director w.e.f. 01-04-2025

* Appointed as an Independent Director w.e.f. 28-03-2025

Ensuring eligibility for the appointment/continuity of every director on the Board is the responsibility of the management of the Company. My responsibility is to express and opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: May 17, 2025

FOR P.S.RAO & ASSOCIATES
COMPANY SECRETARIES

CS P.S. RAO
FCS No. 10322
C.P. No. 3829
UDIN: F010322G000368284
PEER REVIEW CER NO. 6678/2025

Business Responsibility and Sustainability Reporting (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L72200TG1993PLC015939
2.	Name of the Listed Entity	Zen Technologies Limited
3.	Year of incorporation	June 29, 1993
4.	Registered office address	B-42 Industrial Estate, Sanathnagar, Hyderabad - 500018, Telangana, India
5.	Corporate address	B-42 Industrial Estate, Sanathnagar, Hyderabad - 500018, Telangana, India
6.	E-mail	cosec@zentechnologies.com
7.	Telephone	+91-40-2381 4894/3294
8.	Website	www.zentechnologies.com
9.	Financial year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 9,02,90,356
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Sourav Dhar Company Secretary & Compliance Officer Ph. No: 040-2381 4894/3294. cosec@zentechnologies.com
13..	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14.	Name of assurance provider	Not Appointed
15.	Type of assurance obtained	Not Obtained

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY 25)
a.	Designing, Developing and Manufacturing of Combat Training Solutions for Homeland Security and Counter Drone Technology	Computer, electronic, Communication and scientific measuring & control equipment	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed (FY 25)
a	Training Solutions, Counter – Drone Solutions and Operational Equipment	26700	96%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	3	4
International	–	2	2

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States/UTs)	All states
International (No. of Countries)	8 countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of total turnover is 37.97%.

c. A brief on types of customers

Zen Technologies Limited ("Zen") has been in operation since 1993, focusing on the Designing, Developing and Manufacturing of training systems and counter-drone solutions. We provide these advanced resources to esteemed entities such as the Ministry of Defence (MOD, Government of India), allied foreign armed forces, state police units, security forces, and paramilitary organizations. Committed to delivering top-notch services, we address the varied requirements of our valued clients, playing a crucial role in improving their training and security capabilities both domestic and international.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	395	330	84%	65	16%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total employees (D + E)	395	330	84%	65	16%
Workers						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than Permanent (G)	344	232	67%	112	33%
6.	Total workers (F + G)	344	232	67%	112	33%

b. Differently abled Employees and Workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	0	0	0%	0	0%
Differently Abled Workers						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	Total differently abled workers (F + G)	0	0	0%	0	0%

21. Participation/Inclusion/Representation of women

As on 31 st March 2025	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	2	22%
Key Management Personnel	2	0	0%

22. Turnover rate for permanent employees and workers

Category	FY 2025			FY 2024			FY 2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.43%	2.53%	16.96%	8.85%	3%	11.85%	14.5%	2.7%	17.2%
Permanent Workers	Not Applicable								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/Associate/ Joint Venture	% of shares held by listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Zen Technologies USA, Inc	Subsidiary	100%	No
2	Zen Medical Technologies Private Limited	Subsidiary	100%	No
3	Unistring Tech Solutions Private Limited	Subsidiary	51%	No
4	Zen Defence Technologies LLC	Subsidiary	99%	No
5	AiTuring Technologies Private Limited	Subsidiary	51%	No
6	Bhairav Robotics Private Limited	Associate	45.33%	No
7	ARI Labs Private Limited	Subsidiary	100%	No
8	Applied Research International Private Limited	Subsidiary	76%	No
9	Vector Technics Private Limited	Subsidiary	51%	No

VI. CSR Details

24.

(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No)

Yes, CSR is applicable to Zen Technologies Limited

(ii) Turnover (in ₹): 93,066.72 Lakhs

(iii) Net worth (in ₹): 168,898.00 Lakhs

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) (If Yes, then provide web-link for grievance red)	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)	https://www.zentechnologies.com/investor-contacts	0	0	NA	0	0	NA
Shareholders	https://www.zentechnologies.com/investor_relations/WhistleBlower-Policy.pdf https://www.zentechnologies.com/Zen-Technologies-SHP.pdf	1	0		0	0	As per the report submitted to Stock Exchanges on Quarterly basis
Employees and workers		0	0	NA	0	0	NA
Customers		0	0	NA	0	0	NA
Value Chain Partners		0	0	NA	0	0	NA
Other (please specify)		0	0	NA	0	0	NA

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. no	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Technological Advancements and Innovation	Opportunity	Recognizing and leveraging technological advancements while promoting innovation can provide Zen Technologies Limited with a competitive advantage, resulting in the creation of state-of-the-art products and services, a larger market share, and enhanced customer satisfaction.	NA	Positive: Possible revenue expansion, cost reductions through enhanced efficiency, and greater profitability.
2	Government Regulations and Policies	Risk and Opportunity	Compliance with government regulations is essential to prevent penalties and sustain a positive business environment. Whereas, supportive policies can create opportunities for Zen Technologies Limited to obtain government contracts and incentives.	Keep up to date with evolving regulations, ensure compliance, and proactively interact with policymakers to promote beneficial policies.	Negative: Failure to comply can result in fines and harm to reputation. Positive: Adherence to regulations can create more business opportunities and possible cost reductions.
3	Customer Satisfaction and Retention	Opportunity	Satisfied customers are more inclined to remain loyal and endorse Zen Technologies Limited's products and services to others, resulting in higher sales and an enhanced brand reputation.	NA	Positive: Improved customer retention can result in greater recurring revenue and lower marketing expenses for attracting new customers.

26. Overview of the entity's material responsible business conduct issues (Contd.)

Sr. no	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Cybersecurity and Data Privacy	Risk	As a defense sector organization entrusted with sensitive information, the risk of cybersecurity breaches and data privacy violations can lead to legal repercussions, reputational damage, and substantial financial losses.	The Company has established a robust Cyber Risk Management framework, perform regular security assessments, and adhere to data protection regulations. Data access is strictly controlled and data encryption is employed to ensure security.	Negative: Data breaches can lead to financial losses, legal repercussions, and harm to the Company's reputation.
5	Talent Acquisition and Retention	Opportunity and Risk	Attracting and keeping skilled and talented employees is essential for the Company's growth and success. Whereas high employee turnover can result in higher recruitment expenses and the loss of valuable expertise.	Provide attractive compensation packages, opportunities for career advancement, and cultivate a positive workplace culture.	Positive: Efficient talent management can lead to enhanced productivity and decreased recruitment costs. Negative: High turnover can result in increased expenses and lower productivity.
6	Supply Chain Disruption	Risk	Recognizing the risk of supply chain disruptions is essential, as it can result in production delays, higher costs, and customer dissatisfaction.	The Company keeps a diverse supplier network, carries out regular risk assessments, and creates contingency plans to alleviate supply chain disruptions. Additionally, fostering collaborative relationships with suppliers and utilizing real-time monitoring helps ensure prompt responses to potential issues.	Negative: Effective risk management reduces financial losses linked to supply chain disruptions, including production downtime and rising operational costs.
7	Energy and Emissions	Risk	High energy consumption and associated emissions pose operational and regulatory risks, especially given the evolving defence procurement norms emphasizing sustainability.	The Company is investing in energy-efficient technologies and renewable energy integration across our manufacturing processes.	Negative: Energy and emissions-related risks may lead to increased operational costs due to rising energy prices, carbon taxes, and compliance expenditures.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S.No.	Principal Description	Reference of Policies
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable	- Business Responsibility Policy - Risk Management Policy - Code of Conduct
P2	Businesses should provide goods and services in a manner that is sustainable and safe	Business Responsibility Policy
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains	- Business Responsibility Policy - Health & Safety Policy - Code of Conduct
P4	Businesses should respect the interests of and be responsive to all its stakeholders	- Business Responsibility Policy - Health & Safety Policy - Code of Conduct
P5	Businesses should respect and promote human rights	- Human Rights Policy - Policy on Sexual Harassment of Women at Workplace
P6	Businesses should respect and make efforts to protect and restore the environment	Environment Policy
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Business Responsibility Policy
P8	Businesses should promote inclusive growth and equitable development	- Business Responsibility Policy - Corporate Social Responsibility Policy
P9	Businesses should engage with and provide value to their consumers in a responsible manner	Business Responsibility Policy

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Mr. Ashok Atluri Chairman & Managing Director +91 40 23813281 E-mail: cosec@zentechtechnologies.com																	
9.	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	No																	
10. Details of Review of NGRBCs by the Company:																			
Subject for Review		Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action		The policies adhere to relevant laws and national standards. The responsibility for implementing the policies rests with the respective functional heads, and they are subject to review by the management.									The Policies of the Company are reviewed periodically or on need basis by respective Department heads/Executive Directors/Board Committees/Board of Directors, as applicable.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances		Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances																	
11.	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9									
		The entity has certifications for ISO 9001 and undergoes periodical assessment both internally & externally to evaluate effectiveness of management system and policies.																	
		Assessment is being carried out, by the accredited certification body, at our facilities.																	
12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:																			
Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9									
a.	The entity does not consider the principles material to its business (Yes/No)																		
b.	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																		
c.	The entity does not have the financial or/human and technical resources available for the task (Yes/No)										Not Applicable								
d.	It is planned to be done in the next financial year (Yes/No)																		
e.	Any other reason (please specify)																		

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1 : Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentages of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	4	Familiarization programmes for the Board of Directors/KMPs of the Company are done periodically. The topics of the programmes	100%
Key Managerial Personnel (KMPs)	4	includes business and industry updates, risk management, important regulatory changes and compliances of various statutory requirements, updating on various Codes/Policies of the Company, environmental, social and governance parameters, legal cases, etc	100%
Employees other than BoD and KMPs	77	• Posh Act • Fire Mock Drill • Six Sigma -Green Belt • ISMS 27001:2022 Process • Time Management • Supplier selection process • PIT Training • Human rights	100%
Workers	6	• Health & Safety • POSH Act • Human rights • ISO Guidelines	100%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

a. Monetary					
Particulars	NGRBC Principle	Name of the regulatory/ Enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine					
Compounding fee			Nil		
Settlement					
b. Non-Monetary					
Particulars	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment					
Punishment			Nil		

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Zen Technologies has adopted a robust commitment to the highest standards of ethical and lawful business conduct. The Company maintains a zero-tolerance stance toward all forms of bribery, corruption, and unethical practices. Although we do not have a separate policy however, these principles are firmly embedded in our Code of Conduct, which applies to all employees, suppliers, contractors, business partners, and other stakeholders.

The Code of Conduct outlines a clear stance against any form of bribery, corruption, or unethical behavior. It prohibits all employees and associated parties from offering, accepting, or soliciting any undue advantage, gift, payment, or favour that may improperly influence business decisions.

These standards are communicated during onboarding and ongoing engagements with internal and external stakeholders to ensure to act in alignment with the Company's values. Through these mechanisms, Zen Technologies upholds its commitment to ethical business practices and compliance with applicable laws and regulations across all its operations.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption.

Particulars	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2025 (Current Financial Year)		FY 2024 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not applicable, as there have been no issues concerning fines, penalties, or actions taken by regulators, law enforcement agencies, or judicial institutions regarding cases of corruption and conflicts of interest.

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

Particulars	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Number of days of accounts payables	5	22

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	9%	12.2%
	b. Number of trading houses where purchases are made from	117	109
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	72.75%	91.05%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	0	0
	b. Number of dealers/distributors to whom sales are made	0	0
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributor	0	0
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	45.05%	13.26%
	b. Sales (Sales to related parties/Total Sales)	0.02%	3.02%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0	0
	d. Investments (Investments in related parties/Total Investments made)	39.58%	1.28%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	Zen's business strategy along with our expectations regarding quality from the vendor partners	2%

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Zen Technologies has established a comprehensive Code of Conduct that is applicable to all employees, senior management, and the Board of Directors. This Code includes clear provisions related to conflicts of interest, ensuring that all individuals are aware of their responsibilities to avoid situations that may compromise their impartiality or integrity.

All the policies are available at: <https://www.zentechnologies.com/policies-and-code-of-conduct>

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	14.2%	3.18%	As a defence simulators manufacturer, we prioritize sustainability in our products. We use natural gas compressors instead of CO ₂ for weapon recoil, reducing emissions. Visuals are projected onto walls rather than synthetic materials, cutting down plastic use. HVAC systems in container shooting ranges capture smoke for cleaner air, and lead from fired bullets is recovered and reused, promoting resource efficiency and environmental safety.
Capex	-	-	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The entity has no set procedure in place for sustainable sourcing however, Vendors are onboarded after due diligence to ensure alignment with our expectations, including labor standards, data security, and environmental compliance. Regular assessments and engagement initiatives are conducted to promote awareness and strengthen sustainable practices across the supplier ecosystem.

b. If yes, what percentage of inputs were sourced sustainably?

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As a leading provider of advanced combat training solutions for defence and security forces worldwide, we aim to be transparent with our stakeholders regarding our waste management practices. The waste generated at the end of the life of the product is being managed by the customers. At present, we do not have a system established for reclaiming products for reusing, recycling and disposing at the end of life after they have been sold.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Extended Producer Responsibility (EPR) is not applicable to the Zen Technologies

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Available					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
Not Available		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

Indicate input material	Recycled or re-used input material to total material	
	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Not Available		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Particulars	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						

Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	-

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	330	330	100%	330	100%	0	0%	0	0%	0	0%
Female	65	65	100%	65	100%	65	100%	0	0%	0	0%
Total	395	395	100%	395	100%	65	100%	0	0%	0	0%
Other than Permanent employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%
Other than Permanent workers											
Male											
Female											
Total											

All eligible workers are covered under ESI Act

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the Company	7.46%	12.27%

2. Details of retirement benefits.

Benefits	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	No. of employees covered as a % of total Employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total Employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	-	Yes	100%	-	Yes
Gratuity	100%	-	Yes	100%	-	Yes
ESI	11%	100%	Yes	15%	100%	Yes
Other	-	-	-	-	-	-

3. Accessibility of workplaces:

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, Zen is committed to fostering an inclusive workplace. We have made the necessary infrastructural arrangement at our manufacturing plant to ensure accessibility for persons with disabilities, in line with the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Zen is committed to fostering an inclusive workplace that ensures equal opportunities for all individuals, regardless of their background, gender, or identity. We prohibit unlawful discrimination based on race, colour, creed, gender, age, nationality, marital status, national origin or ancestry, physical or mental disability, medical condition including genetic characteristics, sexual orientation, or any other consideration made unlawful by Central, State, or local laws. This commitment applies to all persons involved in the operations of the Company and prohibits unlawful discrimination by any employee of the Company, including supervisors and co-workers.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

Note: *Two female permanent employee took the maternity leave in March 2025, and the leave is currently ongoing.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If yes, then give details of the mechanism in brief)	
Permanent Employees Yes	Yes, a Grievance Redressal Mechanism has been constituted to hear and redress individual grievances.	
Other than Permanent Employees NA	The Company has formulated Whistle Blower Policy for redressing grievances related to unethical behavior, actual or suspected fraud or a violation of a Company's Code of Conduct.	
Permanent Workers NA	As per this Policy, the concerns can be sent to the Whistle Officer or directly to the Chairman of the Audit Committee. The policy can be accessed at https://www.zentechnologies.com/investor_relations/Whistle-Blower-Policy.pdf	
Other than Permanent Workers Yes		

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male	330	0	0	285	0	0
Female	65	0	0	57	0	0
Total Permanent Workers						
Male	Not Applicable					
Female						

8. Details of training given to employees and workers:

Category	FY 2025 (Current Financial Year)					FY 2024 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	330	310	94	301	97	285	265	94%	260	76%
Female	65	62	95	61	98	57	56	98%	50	88%
Total	395	372	95%	362	98%	342	321	94%	310	91%
Permanent Workers										
Male	Not Applicable									
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Permanent Employees						
Male	330	276	83.6	285	150	53
Female	65	47	72.3	57	30	53
Total	395	323	78	342	184	54
Permanent Workers						
Male	Not Applicable					
Female						
Total						

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, what is the coverage of such a system?

Yes, Zen Technologies has implemented a robust Occupational Health and Safety Management System (OHSMS) across all units and supported by its Health and Safety policy. The system includes safety manuals, procedures, emergency plans, and regular plant-level safety committee meetings. The Company is committed to continuous improvement and adopting best practices to ensure employee well-being.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Zen Technologies follows a structured process to identify and assess work-related hazards on both routine and non-routine tasks. Regular meetings, safety drills and open communication with on-site personnel help evaluate risks and improve safety protocols. This proactive approach ensures continuous improvement and reflects the Company's commitment to employee safety and well-being.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, Zen Technologies has systems in place for workers to report hazards and remove themselves from unsafe situations without fear of retaliation. The Company actively monitors risks, values employee feedback, and takes prompt action to improve safety measures reinforcing its commitment to a safe and productive workplace.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes, Zen Technologies places a high priority on providing non-occupational medical and healthcare services for its employees. The Company ensures access to these services either on-site or through partnerships with reputable nearby medical facilities. Furthermore, Zen emphasizes the significance of training its staff to effectively respond to medical emergencies.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Zen Technologies is committed to maintaining a safe and healthy workplace through a comprehensive set of policies and practices. Our business responsibility policy encompasses essential areas such as competence development, training, occupational health, inspection systems, audits, procurement, contractor management, and risk assessments. These policies are carefully crafted to proactively identify, assess, and mitigate potential risks.

We prioritize compliance with all relevant statutory requirements related to preventive healthcare and occupational health and safety. Zen Technologies has implemented a proactive process that systematically identifies hazards, determines appropriate controls to eliminate or reduce risks to acceptable levels, and recognizes relevant risks and opportunities within the occupational health and safety management system.

Additionally, we conduct regular safety drills and training sessions to ensure our employees are well-prepared for emergency situations. We also maintain open communication channels for employees to promptly report any safety concerns. By fostering a culture of safety and continuous improvement, Zen Technologies reaffirms its steadfast commitment to the well-being of its workforce, ensuring a secure and healthy working environment.

13. Number of complaints on the following made by employees and workers:

Particulars	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

There were no incidents reported during the year however, to ensure a safe and secure work environment we take proactive steps which includes:

- Prominently displaying Standard Operating Procedures (SoPs) throughout our facilities to raise employee awareness of safety protocols.
- Organizing regular safety training programs to educate our workforce on the latest safety practices and ensure adherence to Personal Protective Equipment (PPE) requirements.
- Providing clear work instructions and safe practices that are easily accessible to guide employees; conducting frequent safety inspections and thorough accident investigations to quickly identify and mitigate hazards.
- Holding regular safety committee meetings and inspections to actively manage risks; and implementing recommendations from regulatory authorities to ensure compliance with safety audits and regulations.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company extends life insurance coverage for works related death to its permanent employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Periodical reviews are conducted with value chain partners to verify their compliance with statutory obligations, laws, and the timely payment of duties and taxes. All orders include "Standard Terms & Conditions," which are binding for value chain partners and mandate the clearance of payment dues.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, the entity provides transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. This is achieved through On-the-Job Training, where employees gain valuable skills during their employment and various training programs attended. We ensure that all statutory dues and final settlements are processed in accordance with applicable laws. Employees exiting are supported through a structured handover and exit process, and reference letters are provided upon request.

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0%
Working Conditions	0%

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

We consider individuals, groups, institutions, or entities that contribute to shaping our business, that add value or constitute a core part of the business value chain as key stakeholders. Our stakeholders are both internal and external, and direct as well as indirect. Our process of identification and classification of the stakeholders is defined by their interest, impact and participation in operations of the Company including engagement on various environmental, social and governance matters. Delivering on stakeholder needs, interests and expectations are integral to the way we operate. We keenly listen to our stakeholders and have established various touchpoints and tools for communication, advocacy and engagement. Our key stakeholders include employees, investors, suppliers and partners, customers, government authorities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	We use digital as well as physical channels of communication including but not limited to e-mails, newsletters, intranet, townhalls and leadership touchpoints, pulse surveys for employee feedback and redressal, and appraisal and training programmes for personal and professional growth.	Regular (daily/weekly)	Through multiple physical and digital channels of communication, we aim to provide our employees a safe, inclusive and empowering workplace that encourages transparent engagement and the freedom to act, innovate and grow as professionals and individuals. Employees can share concerns in the open Forum. The focus is on employee development, benefits, employee issues, and career growth.
Customers and Suppliers	No	Engaging in one-on-one interactions, conducting customer satisfaction surveys, and making follow-up calls after resolving complaints. Offering a customer service helpline and various communication channels, including email, phone, and in-person meetings as required. Utilizing emails, supplier portals, collaborative platforms, supplier forums, and regular face-to-face meetings to ensure effective engagement.	Fortnightly	Responding to customers improves satisfaction and brand image. Understanding needs helps to improve products. Supplier feedback boosts quality and collaboration. Supporting growth and ensuring ethical practices strengthens the supply chain.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group. (Contd.)

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual General Meetings, emails, Stock Exchange (SE) notifications, investor and analyst meetings or conference calls, annual reports, quarterly results, media releases, Company/ SE website, emails, notices, investor calls, and newspaper advertisements.	Quarterly/annually and whenever required	Understand their requirements and expectations. Key focus areas share price trends, risk management, and confidence. Key concerns include market volatility, inconsistent returns, low profitability, and financial risks.
Bankers	No	Periodical Meetings	Need basis	Grasping banking compliance, fostering relationships with bankers, and overseeing banking and credit facilities are essential. Key areas of focus include regulations, compliance, credit facilities, and relationship management. Concerns include non-compliance, strained relationships, and restricted access to credit facilities.
Government/Regulatory Authorities	No	E-mails and letters, Conferences, Industry forums, regulatory filings, meetings with officials, and representations.	On periodical basis whenever required	Zen actively engages with government and regulatory bodies, aiming to understand and contribute to meaningful discussions related to responsible business and ethical business practices.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company actively engages with stakeholders to enhance performance and create value for both the ecosystem and its operations. Direct consultations are conducted by senior functional leaders, and the feedback and insights collected are formally presented to the Board during periodic meetings and strategic review sessions. Material concerns, stakeholder expectations, and emerging risks identified through these interactions are escalated to the Board for consideration in policy development and strategic decision-making.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company engages with stakeholders through a materiality assessment to determine and prioritize the various economic, environmental, and social concerns.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

We implement several CSR programmes through our CSR arm, Veer Sammaan Foundation in the areas of education, skilling and livelihood, health and environmental sustainability through partners and local NGOs for marginalised sections of communities. The Company engages with marginalized communities to address their specific needs. These initiatives are designed in collaboration with implementation partners based on ground-level feedback and are reviewed regularly to ensure they are impactful, inclusive, and aligned with Schedule VII of the Companies Act, 2013.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	395	395	100%	342	342	100%
Other than permanent	-	-	-	-	-	-
Total employees	395	395	100%	342	342	100%
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	344	344	100%	382	382	100%
Total workers	344	344	100%	382	382	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025 (Current Financial Year)					FY 2024 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	330	-	-	330	100%	285	-	-	285	100%
Female	65	-	-	65	100%	57	-	-	57	100%
Total	395	-	-	395	100%	342	-	-	342	100%
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	232	-	-	232	100%	265	-	-	265	100%
Female	112	-	-	112	100%	117	-	-	117	100%
Total	344	-	-	344	100%	382	-	-	382	100%

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

Particulars	Gender	Total Number	Median remuneration/salary/wages of respective category (INR)
Board of Directors (BoD)	Male	7	74,07,435
	Female	2	31,15,719
Key Managerial Personnel	Male	2	51,12,505
	Female	0	-
Employees other than BoD and KMP	Male	325	4,89,600
	Female	64	4,56,563
Workers	Male	232	1,92,186
	Female	112	1,70,664

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Gross wages paid to females as % of total wages	12.73	11.20

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

At Zen Technologies the Internal Complaints Committee (ICC) is the designated focal point for addressing human rights-related issues. The ICC is responsible for ensuring adherence to ethical workplace practices, promoting diversity and inclusion, and addressing any concerns related to discrimination, harassment, or unfair treatment. This responsibility is supported by clearly defined internal policies and reporting mechanisms that enable timely resolution of human rights concerns across the organization.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Zen has established robust internal mechanisms to effectively address grievances related to human rights issues. Employees and stakeholders are encouraged to report any concerns regarding human rights violations through multiple channels, including direct communication with their managers, the Head of the Department, the HR Manager, or the Compliance Officer.

Upon receiving a grievance, Zen follows structured procedures outlined in our policies, ensuring confidentiality and sensitivity throughout the investigation. We prioritize prompt and impartial handling of grievances to uphold our commitment to ethical conduct and respect for human rights. Our goal is to resolve issues swiftly and appropriately, fostering a workplace environment where human rights are safeguarded and respected.

Also, the Company has a Whistle Blower Policy with defined procedures to report instances of unethical behavior, actual or suspected fraud, or violation of the Code of Conduct to the Whistle Officer/Chairman of the Audit Committee. The Policy is available on the Company's website.

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and rules made thereunder, our Company has formed an Internal Complaints Committee (ICC) for its workplaces to address complaints about sexual harassment under the POSH Act. We have a detailed policy for preventing sexual harassment at the workplace, which ensures a free and fair inquiry process with clear timelines for resolution.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Internal Complaints Committee maintains a formal register to record all complaints received. The detail of each complaint is treated with strict confidentiality, especially if requested by the complainant. Information from the register is used solely for the purpose of conducting a discreet and impartial investigation, ensuring that the complainant's identity and concerns are protected throughout the process.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No, currently human rights requirements do not form part of our business agreements and contracts. However, we are planning to incorporate it in our future agreements and contracts.

10. Assessments of the year

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Not applicable, as no risks/concerns observed across the above parameters.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

As the Company has not received any major human rights grievances/complaints, there was no need to modify/introduce any business process.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Human rights due - diligence was not conducted during the year.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the Company actively promotes an inclusive accessibility framework and has established necessary infrastructural changes to meet the needs of individuals with disabilities.

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Zen internally monitors compliance with all relevant laws and policies pertaining to these issues.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not Applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit of measurement	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
From renewable sources			
Total electricity consumption (A)	GJ	510.42	52.32
Total fuel consumption (B)	GJ	-	-
Energy consumption through other sources (C)	GJ	-	-
Total energy consumed from renewable sources (A+B+C)	GJ	510.42	52.32
From non-renewable sources			
Total electricity consumption (D)	GJ	2737.98	2385.27
Total fuel consumption (E)	GJ	551.11	281.48
Energy consumption through other sources (F)	GJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	GJ	3289.09	2666.76
Total energy consumed (A+B+C+D+E+F)	GJ	3799.51	2719.07
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	GJ/INR Cr	4.08	6.32
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP in Million USD)	GJ/Million USD	8.43	14.16
Energy intensity in terms of physical output	-	-	-
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	6087.80	6104.00
(iii) Third party water (Municipal water supplies)	0	0
(iv) Seawater/desalinated water	0	0

3. Provide details of the following disclosures related to water, in the following format: (Contd.)

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
(v) Others (water cans for drinking and cooking purposes)	507.16	333.24
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	6594.96	6437.24
Total volume of water consumption (in kiloliters)	6594.96	6437.24
Water intensity per rupee of turnover (Total water consumption/Revenue from operations) (in KI/INR Cr)	7.09	14.96
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP in USD) (in KI/Million USD)	14.64	33.51
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Provide the following details related to water discharged:

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilo liters)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties (GHMC)		
- No treatment	60	60
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment– please specify level of treatment	0	0
Total water discharged (in kiloliters)	60	60

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Though there is no specific mechanism for Zero Liquid Discharge, we have processes in place to ensure that water is utilized conservatively, economically and in an environmentally conscious manner.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
NOx	MT		
SOx	MT		
Particulate matter	MT		
Persistent organic pollutants (POP)	MT		Not Available
Volatile organic compounds (VOC)	MT		
Hazardous air pollutants (HAP)	MT		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tons of CO ₂ equivalent	39.39	20.14
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tons of CO ₂ equivalent	552.92	481.69
Total Scope 1 and Scope 2 emissions	Metric tons of CO ₂ equivalent	592.31	501.84
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	MTCO ₂ e/INR Cr	0.64	1.17
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP in Million USD)	MTCO ₂ e/ Million USD	1.31	2.61
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Our new line of simulators is designed to be more energy-efficient and eco-friendly, aligning with our sustainability objectives. We are dedicated to further reducing the carbon footprint of our products.

Additionally, we are adopting energy-efficient practices throughout our manufacturing processes, which includes optimizing energy consumption.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Waste generated (in metric tons)		
Plastic waste (A)	-	-
E-waste (B)	5	7.835
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste -excluding e-waste and biomedical waste (G)	-	-
Other Non-hazardous waste generated (H) - excluding plastic waste	-	-
Total (A+B + C + D + E + F + G + H)	5	7.835
Waste intensity per rupee of Turnover (Total waste generated/Revenue from operations) (In MT/INR Cr)	0.01	0.02
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP in Million USD) (In MT/Million USD)	0.01	0.04
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	-	7.835
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Landfilling after incineration	-	-
(iv) Other disposal operations	-	-
Total	-	-

Other than E-waste, we have not monitored other waste generation.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As a simulation Company involved in the production of hardware products like printed circuit boards (PCBs), projectors, screens, and CPUs, Zen Technologies is mindful of the electronic waste (e-waste) generated by its operations. The Company takes responsibility for the disposal of this e-waste by handing over the waste to the authorized recyclers. This e-waste undergoes proper segregation to ensure that each component receives appropriate treatment. Unused batteries are returned to the supplier, who replaces them with new ones, facilitating safe and sustainable battery waste management.

Compliance with applicable regulations is of utmost importance to us, and we strictly adhere to safety measures such as proper storage, labelling, and segregation of chemicals to prevent accidents. Comprehensive employee training ensures the safe handling and disposal of waste materials.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Nil					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilo liters): For each facility/plant located in areas of water stress, provide the following information:

Not Applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	768.69*	Not Available
Total Scope 3 emissions per Crore of turnover	MTCO ₂ e/ INR Cr	0.83	Not Available

* Scope 3 emissions include from Business travel and Employee Commute

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installation of rooftop solar	Rooftop solar with the capacity of 120 kWp has been installed at our manufacturing plant situated at Maheshwaram, Telangana.	Reduced 103 MTCO ₂ e emissions in FY25
2	Installation of water meters	Installed the water meters in our manufacturing plant	Better monitoring and management of water resources

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

The Company has established a comprehensive Business Continuity and Disaster Recovery Plan (BCP) that covers:

- Identification of Critical Data Systems:** The plan defines what constitutes critical and impactful data systems. These systems are identified and ranked based on their significance to business operations and potential impact on the organization.
- Defined Responsibilities:** Clear responsibilities related to business continuity planning and implementation are outlined within the plan, ensuring accountability and effective execution of continuity strategies.
- Guidelines for BCP Development:** The plan provides detailed guidelines for the development, testing, maintenance, and implementation of business continuity plans, ensuring that all aspects of continuity are systematically addressed.
- Monitoring and Enforcement Methods:** Methods for monitoring compliance with these guidelines and enforcing adherence to the BCP are established, promoting ongoing effectiveness and readiness in the face of potential disruptions.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

There has been no significant adverse impact on the environment resulting from Zen Technologies' value chain.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil

8. How many Green Credits have been generated or procured.

a) by the listed entity

Zen Technologies has not generated or procured any Green Credits as per the GCP Rules notified by the Government of India.

b) by top ten (in terms of value of purchases and sales, respectively) value chain partners: Nil

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with and industry chambers/associations.

Zen Technologies has established partnerships with five trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Confederation of Indian Industry (CII)	National
3	Society of Indian Defence Manufacturers (SIDM)	National
4	The Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
5	Aerospace & Defence Consultants Association of India	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil		

Leadership Indicators

1. Details of public policy positions advocated by the entity

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/Others – please specify)	Web Link, if available
None					

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
Nil					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Zen Technologies Limited has established the Veer Sammaan Foundation, a registered trust specifically constituted to carry out the Company's Corporate Social Responsibility (CSR) initiatives. Through this foundation, the Company actively engages with local communities to understand their concerns and address grievances in a structured and responsive manner.

The Foundation serves as a formal channel for receiving feedback and complaints from community members.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Directly sourced from MSMEs/small producers	56.76%	61.08%
Directly from within India	94.00%	57.31%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost:

Location	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Rural	2%	1%
Semi-urban	9%	9%
Urban	35%	27%
Metropolitan	55%	62%

(Place to be categorized as per RBI Classification System - rural/semi-urban/urban/metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above).

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
Nil			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

No

(b) From which marginalized/vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Promoting Education (including Science Education)	7,249	100%
2.	Promotion of Sports for Social Development	63	100%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Zen Technologies Limited prioritizes customer satisfaction and has implemented strong mechanisms to receive and address consumer complaints and feedback. Customers can express their concerns through various channels, including dedicated customer service hotlines, email, online portals, and in-person meetings. Each complaint or feedback is promptly acknowledged and assigned to the appropriate team for resolution.

Upon receiving a complaint, a thorough investigation is conducted to determine the root cause, followed by the development of a detailed action plan to resolve the issue. Throughout this process, we maintain regular communication with the customer to keep them updated on progress and ensure their concerns are adequately addressed.

Furthermore, Zen Technologies values customer feedback as a vital part of our continuous improvement efforts. We actively solicit feedback through surveys, follow-up calls, and customer meetings. This feedback is utilized to refine our processes, enhance our products and services, and ensure we meet and exceed customer expectations.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

Parameter	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%, All our products carry information about safe and responsible usage
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following:

Particulars	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services						Nil
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Zen Technologies has established a thorough framework and policy for cybersecurity and data privacy. Our policy aims to protect our digital assets, information systems, and sensitive data from cyber threats and unauthorized access. It covers several essential areas, including network security, data protection, user access controls, incident response, and compliance with applicable legal and regulatory requirements. All personnel, including employees, contractors, and interns, are required to follow this policy to maintain a secure operational environment.

7. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Zen Technologies Limited has not experienced any reported incidents concerning issues such as advertising and delivery of essential services, cybersecurity, customer data privacy, repeated product recalls, or penalties/actions imposed by regulatory authorities regarding product/service safety.

8. Provide the following information relating to data breaches:**a. Number of instances of data breaches:**

Nil

b. Percentage of data breaches involving personally identifiable information of customers:

Not Applicable

c. Impact, if any, of the data breaches:

Not Applicable

Leadership Indicators**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Details on products and services of the Company can be accessed on the website of the Company at <https://www.zentechnologies.com/products>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We provide comprehensive training for our customers that emphasizes the safe handling and proper usage of our products. Before any product reaches our consumers, our dedicated team ensures that every aspect of its handling is thoroughly educated to consumers. This training includes detailed instructions on how to use the product effectively and safely, minimizing any potential risks. Furthermore, after the sale, our Zen team conducts follow-up training sessions to reinforce these principles, ensuring that consumers are well-equipped to utilize the product to its fullest potential.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

We have established mechanisms to promptly inform consumers about any potential risks of disruption or discontinuation of essential services. This includes proactive communication through various channels, ensuring that customers are kept informed and can make necessary adjustments in a timely manner.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Not Applicable. We manufacture the products specifically for the defence industry; hence we strictly adhere to the instructions provided by our clients in accordance with their requirements and regulations.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, Zen Technologies conducted a survey with regards to consumer satisfaction relating to our products.

Independent Auditor's Report

TO THE MEMBERS OF ZEN TECHNOLOGIES LIMITED

Report on the Audit of the Standalone Financial Statements

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OPINION

We have audited the accompanying standalone financial statements of ZEN TECHNOLOGIES LIMITED (the "Company"), which comprises of the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Cash flows and the Standalone Statement of Changes in Equity for the year then ended, and Notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, its profit including total other comprehensive income, its cashflows and changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant

to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key Audit Matters	How our audit addressed the key audit matter
Revenue from operations (As described in Note 26 of the standalone financial statements)	
During the year, the Company's revenue from operations increased by 116.30%. Revenue is recognized when control of the underlying products has been transferred and the performance obligations have been satisfied.	Our audit procedures included but were not limited to, the following:
The terms of sales arrangements create complexity and require significant judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of revenue recognition on satisfaction of the performance obligations.	a) We have evaluated the appropriateness of the Company's accounting policies for revenue recognition and assessed compliance with relevant accounting standards.
Due to the judgment involved in determining whether transfer of control of goods or services have occurred for the revenue recognized, this matter is considered as Key Audit Matter	b) We have reviewed the terms of significant sales arrangements to understand the timing of transfer of control, distinct performance obligations in these contracts and delivery specifications.
	c) We have assessed the design and operating effectiveness of key controls over revenue recognition processes, including controls over the timing of transfer of control and the satisfaction of performance obligations.
	d) We have performed substantive testing on a sample of revenue transactions by inspecting supporting documentation, such as contracts, invoices, and delivery notes, to verify the timing of revenue recognition.

Key Audit Matters**How our audit addressed the key audit matter**

- e) We have tested on sample basis whether revenue transactions near to the reporting data have been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation as per the terms of delivery specified in the contract.
- f) We have reviewed management's judgments and estimates in determining the transfer of control of goods or services for the satisfaction of performance obligations, including any contractual terms that could impact the timing of revenue recognition.
- g) We have tested on a sample basis Managements working for recognition and measurement of performance obligations and related variable considerations.
- h) We have evaluated the adequacy of disclosures provided under the revenue standard and assessed the completeness and mathematical accuracy to ensure they provide relevant information about the Company's revenue recognition policies and judgments.

Assessment of warranty provision (As described in Note 19B of the standalone financial statements)

The Company provides warranties in terms of which it is obligated to provide repairs/replacements of the products or components over the contractual warranty period where they have failed to perform as per the technical specifications. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Company's management makes warranty estimation which are based on historical information on the nature, frequency and average cost of warranty claims and also management estimates regarding possible future outflow on servicing the customers for any corrective action in respect of product failure.

Owing to past trend of reversal of excess provision resulting from high estimation uncertainty that requires significant management and auditor judgment, this matter is considered to be a key audit matter for the current year audit

Our audit procedures included but were not limited to, the following:

- a) Evaluated any changes made to the provision policy and computation model
- b) Assessed and challenged the assumptions and recomputed the inputs used in warranty provision computation considering business environment in which the Company operates
- c) Obtained understanding of the contract terms and possible future outflows to evaluate the adequacy of the provision estimated by the management
- d) Evaluated the method used by management in making the accounting estimates by verifying source data for various input factors such as historical trend, average historical failure rate, estimation of expected pattern of future claims and estimated replacement cost
- e) Verified the computation of provision for warranty costs including testing of completeness, arithmetical accuracy and validity of the data used in the warranty calculations
- f) Evaluated the adequacy of disclosures relating to the estimation of Product warranty provisions

Appropriateness of the Expected Credit Loss on Trade Receivables (As described in Note 10 of the standalone financial statements)

The Company has outstanding trade receivables and Contract Asset of Rs. 38,018.45 lakhs and Rs. 1,110.63 lakhs respectively as at March 31, 2025, including overdue/aged receivables.

The Company has provided for Expected Credit Loss (ECL) allowance on trade receivables applying the simplified approach permitted by Ind AS 109 Financial Instruments and recognised ECL provision. As a practical expedient, a provision matrix is used to estimate ECL for trade receivables.

Trade receivables have been grouped based on shared (homogeneous) risk characteristics to ensure that ECL calculations appropriately reflect the credit risk of each segment

Our audit procedures included but were not limited to, the following:

- a) Understanding and evaluating the design and testing the operating effectiveness of controls in respect of ECL provision for trade receivables.
- b) Understanding the basis and assessing the appropriateness of the ECL provisioning methodology which involves the use of historical trends in respect of receivables categorized by nature and age.
- c) Evaluated management's assessment of recoverability of the outstanding receivables, including recoverability of overdue/aged receivables through inquiry with management, and analysis of recent collection trends in respect of receivables, particularly aged receivables.

Key Audit Matters	How our audit addressed the key audit matter
One of the Company's major customers is Ministry of Defence (MoD) of India. The Company has past experience available with it to expected credit loss allowances, if required. Based on the above experience and using its best estimate, the Company has accounted for an ECL provision of Rs. 178.83 Lakhs on the balance sheet date. Due to the significance of trade receivables and the related management's judgment this is considered to be a key audit matter.	d) Reviewing minutes of the Board of Directors' meetings and management budgets to understand if there are any macro conditions that can have adverse effect on the financial performance of the Company. e) Assessed the adequacy of disclosures in respect of ECL provision in the financial statements.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's reports thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process of the Company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31 March 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements and other financial information of one branch included in the accompanying standalone financial statements of the Company whose financial statements and other financial information reflect total assets of Rs. 142.25 lakhs as at 31 March 2025 and total revenues of Rs. Nil for the year ended on that date, as considered in the financial statements of these branch have been audited by branch auditor whose reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge

and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
- c) The report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report.
- d) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, Statement of Cashflows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
- e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- f) On the basis of the written representations received from the directors as on 17 May 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report.
- h) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the managerial remuneration for the year ended 31 March 2025 has been paid/provided by the Company to its directors is in accordance with the provisions of Section 197 read with Schedule V to the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in Note-52 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in Note-52 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 48 to the standalone financial statements, Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. During the course of performing our procedures, we did not notice any instance of the audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **RAMASAMY KOTESWARA RAO AND CO LLP**
Chartered Accountants
ICAI Firm Registration No.010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership No. 223022
UDIN: 25223022BMJKCO5758

Place: Hyderabad
Date: 17 May 2025

Annexure 'A'

Referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of our report to the Members of Zen Technologies Limited of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification to cover all the items of Property, Plant and Equipment, capital work-in-progress and right-of-use assets in a phased manner over a period of every three years which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion and based on the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) As disclosed in note 21 & 18 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such bank are in agreement with the books of accounts of the Company and no material discrepancies have been observed.
- iii. The Company has made investments in, Companies and granted unsecured loans to other parties, during the year, in respect of which:
 - a. The Company has provided advances in the nature of loans and stood guarantee to its Subsidiaries during the year, details of which are given below:

Particulars	Guarantees (Rs. In Lakhs)	Advances (Rs. In Lakhs)
A. Aggregate amount granted/provided during the year:		
- Subsidiaries	-	-
- Associate	-	-
- Others	-	-
B. Balance outstanding as at balance sheet date in respect of above cases:*		
- Subsidiaries		2.91
- Associate	-	-

*The Amounts reported are at gross amounts, without considering provisions made.

- b. In our opinion, the investments made, guarantees provided and the terms and conditions of the grant of advances in nature of loans and guarantees provided, during the year are not prejudicial to the Company's interest.

- c. In respect of advances in the nature of loan, they are interest-free and repayable on demand. During the year the Company has not demanded such advances in the nature of loan.
- d. In respect of advances in the nature of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet.
- e. No loan or advances in the nature of loans granted by the Company, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f. The Company has not granted advances in the nature of loans which are repayable on demand.
- iv. According to information and explanation given to us, the Company has not granted any loans that are covered under the provisions of sections 185 and Company is in compliance with provisions of Section 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable). We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
- vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services tax, Provident Fund, Employee's State Insurance, Professional Tax, Income Tax, Duty of Custom, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	1.60	2016-17	Commissioner of Income Tax (Appeals), Hyderabad
The Income Tax Act, 1961	Income Tax	385.84	2019-20	Commissioner of Income Tax (Appeals), Hyderabad
The Income Tax Act, 1961	Income Tax	186.51	2013-14	Telangana High Court, Tribunal bench
Central Excise Act, 1944	Excise Duty	244.75	2006-07	CESTAT, Hyderabad
Central Excise Act, 1944	Excise Duty	186.72	2007-08	CESTAT, Hyderabad
Central Excise Act, 1944	Excise Duty	107.92	2008-09	CESTAT, Hyderabad
Central Excise Act, 1944	Excise Duty	150.89	2009-10	CESTAT, Hyderabad
Central Excise Act, 1944	Excise Duty	59.12	2010-11	CESTAT, Hyderabad
Central Excise Act, 1944	Penalty on Excise Duty	25.00	2006-07	CESTAT, Hyderabad
Central Excise Act, 1944	Penalty on Excise Duty	18.00	2007-08	CESTAT, Hyderabad
Central Excise Act, 1944	Penalty on Excise Duty	10.00	2008-09	CESTAT, Hyderabad
Central Excise Act, 1944	Penalty on Excise Duty	15.00	2009-10	CESTAT, Hyderabad
Central Excise Act, 1944	Penalty on Excise Duty	6.00	2010-11	CESTAT, Hyderabad

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture as defined under the Act.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013.
- x. (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments).
- (b) There was a preferential allotment of shares during the year in compliance with Section 42 and Section 62 of the Companies Act 2013, for which the proceeds were utilized for the purpose for which the funds were raised, the unutilized portion of the funds raised have been kept separately in the form of fixed deposits and bank balances for utilization in the subsequent financial year. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-Section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) (a), (b) and (c) of the Order is not applicable to the Company.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios disclosed in Note 47, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) There are no unspent amounts towards Corporate Social Responsibility ("CSR") on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of Section 135(6) of the Act.

For **RAMASAMY KOTESWARA RAO AND CO LLP**
Chartered Accountants
ICAI Firm Registration No.010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership No. 223022
UDIN: 25223022BMJKCO5758

Place: Hyderabad
Date: 17 May 2025

Annexure 'B'

Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Zen Technologies Limited of even date

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of ZEN TECHNOLOGIES LIMITED (the "Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

The Management of the Company is responsible for establishing and maintaining Internal Financial Controls Over Financial Reporting based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls Over Financial Reporting with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of Internal Financial Controls Over Financial Reporting with reference to standalone financial statements included obtaining an understanding of Internal Financial Controls Over Financial Reporting with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

A Company's Internal Financial Controls Over Financial Reporting with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Controls Over Financial Reporting with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of Internal Financial Controls Over Financial Reporting with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls Over Financial Reporting with reference to standalone financial statements to future periods are subject to the risk that the Internal Financial Controls Over Financial Reporting with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate Internal Financial Controls Over Financial Reporting with reference to standalone financial statements and such Internal Financial Controls Over Financial Reporting with reference to standalone financial statements were operating effectively as at 31 March 2025, based on the criteria for Internal Financial Controls Over Financial Reporting with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **RAMASAMY KOTESWARA RAO AND CO LLP**
Chartered Accountants
ICAI Firm Registration No.010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership No. 223022
UDIN: 25223022BMJKCO5758

Place: Hyderabad
Date: 17 May 2025

Standalone Balance Sheet

As at 31 March 2025

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Sl. No.	Particulars	Notes	As at 31 Mar 2025	As at 31 Mar 2024
I	ASSETS			
	Non-current assets			
	(a) Property, Plant and equipment	4A	9,815.37	7,645.02
	(b) Capital work-in-progress	4C	355.38	1,006.05
	(c) Right-of-use asset	4D	412.00	187.46
	(d) Other Intangible assets	4B	243.96	21.90
	(e) Intangible assets under development	4E	348.00	60.00
	(f) Financial assets			
	(i) Investments	5	21,849.06	2,630.60
	(ii) Other financial assets	13	20,062.17	2,608.95
	(h) Other non-current assets	8	156.00	113.59
	Total Non-Current Assets		53,241.94	14,273.56
II	Current assets			
	(a) Inventories	9	5,101.82	13,342.12
	(b) Financial assets			
	(i) Trade receivables	10	37,839.62	16,914.87
	(ii) Cash and cash equivalents	11	3,423.70	2,606.47
	(iii) Bank balances other than (ii) above	12	80,496.33	11,613.15
	(iv) Loans	6	0.80	2.91
	(v) Other financial assets	13	2,558.97	999.08
	(c) Current Tax Assets (Net)	14	133.68	170.49
	(d) Other current assets	15	4,750.88	11,916.61
	Total Current Assets		1,34,305.80	57,565.71
	Total Assets (I + II)		1,87,547.74	71,839.27
I	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	16	902.90	840.44
	(b) Other Equity	17	1,67,995.68	44,472.21
	Total Equity		1,68,898.58	45,312.65
II	Liabilities			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	4,020.36	-
	(ii) (a) Lease liabilities	19A	175.36	89.78
	(b) Deferred Govt. Grant		15.00	15.00
	(b) Provisions	20	313.16	305.17
	(c) Deferred tax liabilities (Net)	7	23.84	633.74
	Total Non-Current Liabilities		4,547.72	1,043.69
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	21	1,200.00	-
	(ii) Trade payables	22		
	(A) Total outstanding dues of micro enterprises and small enterprises		835.22	1,846.66
	(B) Total outstanding dues to creditors other than micro and small enterprises		345.15	768.82
	(iii) Other Financial liabilities	19B	6,760.97	1,682.88
	(iv) Lease liabilities	19C	37.37	23.41
	(b) Other current liabilities	23	4,495.21	20,464.86
	(c) Provisions	24	144.30	-
	(d) Current Tax Liabilities (Net)	25	283.22	696.30
	Total Current Liabilities		14,101.44	25,482.93
	Total Equity and Liabilities (I + II)		1,87,547.74	71,839.27

Summary of material Accounting Policies

3

The accompanying notes form an integral part of the standalone financial statements

As per our report attached of even date

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

Firm Registration Number: 010396S/S200084

Murali Krishna Reddy Telluri

Partner

Membership Number: 223022

Ashok Atluri

Chairman & Managing Director

DIN: 00056050

Afzal Harunbhai Malkani

Chief Financial Officer

For and on behalf of the Board of Directors of

Zen Technologies Limited

M.Ravi Kumar

Whole Time Director

DIN: 00089921

Sourav Dhar

Company Secretary

M.No.A63455

Place: Hyderabad

Date: 17 May 2025

Place: Hyderabad

Date: 17 May 2025

Standalone Statement of Profit and Loss

For the year ended 31 March 2025

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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Sl. No.	Particulars	Notes	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
1	Income			
	Revenue from operations	26	93,066.72	43,027.51
	Other Income	27	5,778.44	1,393.02
	Total Income		98,845.16	44,420.54
2	Expenses			
	Cost of Materials and Components consumed	28	39,031.15	18,096.67
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	4,991.29	(4,371.23)
	Manufacturing expenses	30	1,398.02	1,066.69
	Employee benefits expense	31	5,701.53	4,323.66
	Finance Costs	32	942.08	184.05
	Depreciation and Amortization Expense	33	1,009.40	732.05
	Other expenses	34	10,572.64	6,188.58
	Total Expenses		63,646.11	26,220.47
3	Profit/(Loss) before exceptional items and tax(1 - 2)		35,199.05	18,200.06
4	Exceptional Items	46	-	240.90
5	Profit/(Loss) before tax (3-4)		35,199.05	18,440.96
6	Tax expense	36		
	(i) Current tax		9,443.00	3,523.53
	(ii) Deferred tax		(561.71)	1,993.99
	(iii) Earlier years tax		22.69	-
	Total Tax expense		8,903.98	5,517.52
7	Profit for the year (5-6)		26,295.07	12,923.45
8	Other Comprehensive Income			
	Items that will not be reclassified subsequently to statement of profit or (loss)	35	(105.40)	(44.01)
	Income tax relating to items that will not be reclassified to profit/loss		26.53	12.82
	Items that will be reclassified subsequently to statement of profit or (loss)		(86.08)	(34.96)
	Income tax relating to items that will be reclassified to profit/loss		21.66	10.18
	Total Other Comprehensive Income, net of tax		(143.29)	(55.97)
9	Total Comprehensive Income for the year (7+8)		26,151.78	12,867.48
10	Earning per Share (Face Value of Rs. 1/- Each)	37		
	Basic earnings per share (In Rs.)		30.09	15.61
	Diluted earnings per share (In Rs.)		30.09	15.51

Summary of material Accounting Policies 3

The accompanying notes form an integral part of the standalone financial statements

As per our report attached of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number: 010396S/S200084

For and on behalf of the Board of Directors of
Zen Technologies Limited

Murali Krishna Reddy Telluri
Partner
Membership Number: 223022

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M.Ravi Kumar
Whole Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

Sourav Dhar
Company Secretary
M.No. A63455

Place: Hyderabad
Date: 17 May 2025

Place: Hyderabad
Date: 17 May 2025

Standalone Statement of Cash Flows

For the year ended 31 March 2025

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
A. Cash Flows from Operating Activities		
Net profit before tax	35,199.05	18,440.96
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	1,009.39	732.05
Other Income	-	-
Profit on sale of asset	(0.20)	(0.42)
Provision for Advance Written off	-	138.35
Provision for impairment of investments	37.50	224.22
Provision for Impairment of Advances	252.84	-
Expected Credit loss allowance	165.22	352.34
Interest Income	(4,840.04)	(1,062.03)
Finance Cost	587.21	120.49
Interest on lease liability	7.63	4.97
Gratuity expense	80.13	57.07
Share based Payment Expenses	191.71	437.69
Foreign Exchange (Gain)/Loss	(239.46)	(53.21)
Provision for Warranties	538.32	-
Operating profit before working capital changes	32,989.30	19,392.49
Changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(20,936.58)	(10,563.15)
(Increase)/Decrease in Other financial assets	(1,597.39)	2,362.52
(Increase)/Decrease in Inventories	8,240.30	(9,230.61)
(Increase)/Decrease in Other Current Assets	7,165.73	(9,480.09)
(Increase)/Decrease in Other Non Current Assets	(42.41)	(46.20)
(Increase)/Decrease in Other Non Current Financial Assets	(17,706.06)	-
Increase/(Decrease) in Trade Payables	(1,436.06)	2,250.41
Increase/(Decrease) in Other financial liabilities	4,539.77	748.38
Increase/(Decrease) in Other Current liabilities	(15,969.65)	9,877.22
Increase/(Decrease) in Provisions	(33.24)	32.24
	(4,786.29)	5,343.21
Income tax paid	(9,841.96)	(3,208.13)
Net Cash from/(used in) operating activities (A)	(14,628.25)	2,135.08
B. Cash flows from Investing Activities		
Purchase of property, plant and equipment and CWIP	(2,980.74)	(2,600.05)
Sale of Fixed Assets	1.06	0.47
Advance for acquisition on investments	-	-
Purchase of Investments	(19,218.46)	(420.66)
Interest received	4,840.04	881.03
Capital Advance paid	-	(34.59)
(Increase)/Decrease in Other Bank Balances	(68,883.18)	(6,024.38)
Net Cash Used In Investing Activities (B)	(86,241.28)	(8,198.20)
C. Cash flows from Financing Activities		
Proceeds from/(Repayment of) borrowings (net)	5,072.11	(584.42)
Net Proceeds from Issue of Shares	98,019.00	-
Purchase of Treasury shares by Zen technologies welfare trust	-	(477.09)
Proceeds from Issue of Employee Stock Options	121.81	-
Dividend paid	(898.27)	(166.81)
Principal Payment of Lease Liabilities	(183.41)	(17.91)
Interest on Lease Liabilities	(7.63)	-
Finance costs paid	(436.85)	(124.67)
Amount received towards share warrants	-	750.24
Net Cash From Financing Activities (C)	1,01,686.76	(620.66)
Net Increase in cash and cash equivalents (A+B+C)	817.23	(6,683.77)
Cash and Cash equivalents at the beginning of the year	2,606.47	9,290.24
Cash and Cash equivalents at the end of the year	3,423.70	2,606.47

a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flows.

b) Cash and Cash equivalents include following for the Cash flow purpose

Particulars	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
Cash and Cash Equivalents as per Balance sheet	3,423.70	2,606.47
Less: OD/CC accounts forming part of Cash & Cash Equivalents	-	-
Cash and Cash Equivalents for the Cash flow statement	3,423.70	2,606.47

Summary of material accounting policies - Refer Note 3

The accompanying notes referred to above form an integral part of the standalone financial statements

As per our report attached of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number: 010396S/S200084

For and on behalf of the Board of Directors of
Zen Technologies Limited

Murali Krishna Reddy Telluri
Partner
Membership Number: 223022

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M.Ravi Kumar
Whole Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

Sourav Dhar
Company Secretary
M.No. A63455

Place: Hyderabad
Date: 17 May 2025

Place: Hyderabad
Date: 17 May 2025

Standalone Statement of Changes in Equity

For the year ended 31 March 2025

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

(A) SHARE CAPITAL

	Number of shares	Amount (Rs.)
As at 01 April 2023	8,40,44,260	840.44
Issued during the year	-	-
Redeemed/transferred during the year	-	-
As at 31 March 2024	8,40,44,260	840.44
Issued during the year	62,46,096	62.46
Redeemed/transferred during the year	-	-
As at 31 March 2025	9,02,90,356	902.90

(B) OTHER EQUITY (NOTE 17)

Particulars	Reserves and Surplus					Equity Component of Compound Financial Instruments			Other Comprehensive Income		Total Equity
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Share Warrants	Share based payment reserve	Treasury shares	Compulsory Convertible Debentures (CCD)	Re Measurements of Defined Benefit Plans	Foreign Currency Translation Reserve	
Balances as at 1 April 2023	2,654.31	117.24	3,525.01	17,977.96	250.08	44.21	(966.13)	7,479.52	42.13	-	23,644.81
Profit for the Year	-	-	-	12,923.45	-	-	-	-	-	-	12,923.45
Amount received on account of allotment of share warrants	-	-	-	-	750.24	-	-	-	-	-	750.24
Issue of equity shares	8,434.29	-	-	-	-	(195.96)	177.87	-	-	-	8,416.21
Allotment of equity Shares pursuant to conversion of share warrants	-	-	-	-	(1,000.32)	-	-	-	-	-	(1,000.32)
Share based payment charge on account of options granted during the year	-	-	-	-	-	437.69	-	-	-	-	437.69
Other Comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(31.19)	(24.78)	(55.97)
Dividend paid	-	-	-	(166.81)	-	-	(477.09)	(7,479.52)	-	-	(166.81)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(477.09)
Equity component of Compulsorily Convertible Debentures (CCD) issued	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	11,088.60	117.24	3,525.01	30,734.61	-	285.94	(1,265.34)	-	10.94	(24.78)	44,472.21
Balances as at 1 April 2024	11,088.60	117.24	3,525.01	30,734.61	-	285.94	(1,265.34)	-	10.94	(24.78)	44,472.21
Profit for the Year	-	-	70.94	26,295.07	-	-	-	-	-	-	26,366.00
Amount received on account of allotment of share warrants	-	-	-	-	-	-	-	-	-	-	-
Issue of equity shares	97,956.54	-	-	-	-	(246.82)	297.70	-	-	-	98,007.42
Allotment of equity Shares pursuant to conversion of share warrants	-	-	-	-	-	-	-	-	-	-	-
Share based payment charge on account of options granted during the year	-	-	-	-	-	191.61	-	-	-	-	191.61
Other Comprehensive income (net of tax)	-	-	-	(898.28)	-	-	-	-	(78.87)	(64.42)	(143.29)
Dividend paid	-	-	-	-	-	-	-	-	-	-	(898.27)
Equity component of Compulsorily Convertible Debentures (CCD) issued	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	1,09,045.14	117.24	3,595.95	56,131.40	-	230.73	(967.64)	-	(67.94)	(89.20)	1,67,995.68

Summary of material accounting policies

The accompanying notes form an integral part of the standalone financial statements

As per our report attached of even date

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

Firm Registration Number: 010396/S200084

Murali Krishna Reddy Telluri

Partner

Membership Number: 223022

Ashok Atluri

Chairman & Managing Director

DIN: 00056050

Afzal Harunbhai Malkani

Chief Financial Officer

M.Ravi Kumar

Whole Time Director

DIN: 00089921

Sourav Dhar

Company Secretary

M.No.A63455

Place: Hyderabad

Date: 17 May 2025

For and on behalf of the Board of Directors of

Zen Technologies Limited

Notes to the Standalone Financial Statements

For the year ended March 31 2025

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

1. CORPORATE INFORMATION

Zen Technologies Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its corporate office is at B-42, Industrial Estate, Sanathnagar, Hyderabad-500018, Telangana, India. The Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India.

The Company is principally engaged in design, development and manufacture of Training Simulators, Anti Drone Systems and operations for Para-military Forces, Armed Forces, Security Forces, Police and Government Departments. The Company caters to both domestic and international market. The Company's manufacturing unit is located at Hardware Park, Maheswaram Mandal, Telangana, India.

The standalone financial statements for the year ended 31 March 2025, were approved by the Board of Directors and authorised for issue on 17 May 2025.

2. MATERIAL ACCOUNTING POLICIES

(i) Statement of compliance & Basis for preparation

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as Ind AS) as notified under the Companies (Indian Accounting Standards Rules), 2015 read with Section 133 of the Companies Act, 2013 ("the Act") as amended from time to time.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs unless otherwise stated.

(iii) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:

- **Certain financial assets and liabilities:** Measured at fair value
- **Net defined benefit (asset)/liability:** Fair value of plan assets less present value of defined benefit obligations
- **Borrowings:** Amortised cost using effective interest rate method

(iv) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments

and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and reported amounts of revenues and expenses during the period and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statement. Accounting estimates could change from period to period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed by the Management on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- **Note 3(K):** Lease classification.
- **Note 3(K):** Leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- **Note 3(J):** measurement of defined benefit obligations: key actuarial assumptions;
- **Note 3(M):** recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Note 3(I):** impairment of financial assets;
- **Note 7 & 3(L):** Recoverability/recognition of deferred tax assets;
- **Note 3(F):** determining an asset's expected useful life and the expected residual value at the end of its life.

(v) Measurement of fair values

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- **Note 42:** Financial instruments

(vi) Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

Assets

An asset is classified as current when:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is expected to be realised within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current.

Liabilities

A liability is classified as current when:

- it expects to settle the liability in its normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- the Company does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY

A. Revenue from contracts with customers

Revenue from contracts with customers is recognised when the Company satisfies a performance obligation by transferring control of a promised good or service to the customer. Control is transferred when the customer has the ability to direct the use of and obtain substantially all of the benefits from the good or service.

Revenue from sale of products

Revenue from the sale of products is recognised at a point in time when control of the goods is transferred to the customer, which typically occurs upon delivery in accordance with the terms of the contract. The indicators for transfer of control include:

- the Company has transferred the physical possession of the product
- the customer has a legal title to the product
- the customer has accepted the product
- when the Company has a present right to payment for the product
- the significant risks and rewards of ownership of the product has been transferred to the customer.

Revenue is measured at the transaction price, which is the amount of consideration the Company expects to be entitled to in exchange for transferring goods or services.

Multiple performance obligations

In case where the contracts involve multiple performance obligations, the Company allocates the transaction price to each performance obligation on the relative stand-alone selling price basis. In case of a contract, where separate fee for Annual Maintenance Contracts (AMC) or any other separately identifiable component is not stipulated, the Company applies

the recognition criteria to separately identifiable components (sale of goods and AMC, etc.) of the transaction and allocates the revenue to those separate components based on stand-alone selling price.

In cases where the AMC or any other separately identifiable component is stipulated and price for the same agreed separately, the Company applies the recognition criteria to separately identified components (sale of goods and installation and commissioning, etc.) of the transaction and allocates the revenue to those separate components based on their standalone selling price.

If the stand-alone selling price is not available the Company estimates the stand alone selling price.

Revenue from rendering of services

As outlined above, in cases where contracts include multiple performance obligations, such as the sale of goods and Annual Maintenance Contracts (AMC), the transaction price is allocated to each component based on their relative standalone selling prices.

Revenue attributable to AMC services is recognised over time, as the customer simultaneously receives and consumes the benefits of the service throughout the contract period. The Company applies the output method to measure progress towards complete satisfaction of the performance obligation, as the passage of time provides a reliable basis for depicting the transfer of services to the customer.

Measurement of Trade Receivables

Trade receivables arising from such contracts are recognised at the transaction price as determined above, consistent with the Company's accounting policy on financial assets (refer Note 3(E) – Financial Instruments).

B. Recognition of other income

i) Interest income

Interest Income mainly comprises of interest on Margin money deposit relating to bank guarantee, Deposits against Bank Overdraft with banks and other fixed deposits. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee and Over draft are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time proportion method, based on rates implicit in the transactions.

ii) Export Incentives

The Company receives export incentives which do not fall under the scope of Ind AS 115 and are accounted for in accordance with the provisions of Ind AS 20 considering such incentives as Government Assistance. Accordingly government grant relating to Income is recognised on accrual basis when the relevant expense has been charged to statement of Profit and Loss.

iii) Other Income

Other income not specifically stated above is recognised on accrual basis.

C. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

D. Foreign currency transactions and translation

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date (closing rate). Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

The assets and liabilities of the foreign branch are translated into functional currency at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average exchange rates. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

In case of an asset, expense or income where a monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

E. Financial instruments

A financial instrument is any contract that gives rise to a Financial Asset of one entity and Financial Liability or Equity instrument of another entity.

Financial assets

i) Initial Recognition and measurement

The Company recognises a financial asset or a financial liability in its balance sheet when, and only when, it becomes party to the contractual provisions of the instrument. Financial assets are classified, at initial recognition, as measured at:

- Amortised Cost
- Fair Value through Other Comprehensive Income (FVTOCI), or
- Fair Value through Profit or Loss (FVTPL)

The classification of financial assets at initial recognition depends on:

- (a) The Company's business model for managing the financial assets, and
- (b) The contractual cash flow characteristics of the financial asset.

Except for trade receivables that do not contain a significant financing component, financial assets are initially measured at fair value, plus, in the case of financial assets not at FVTPL, transaction costs directly attributable to their acquisition. Trade receivables are initially recognised at the transaction price as determined in accordance with the Company's revenue recognition policy (refer Note [A] – Revenue from Contracts with Customers).

ii) Classification and subsequent measurement

The subsequent measurement of financial assets depends on their classification, as follows:

(i) Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if both of the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less any impairment loss. Interest income and impairment are recognised in profit or loss.

(ii) Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI) – Debt Instruments

Financial assets are classified at FVTOCI when they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the SPPI test is met.

Subsequent to initial recognition, these financial assets are measured at fair value, with changes in fair value recognised in other comprehensive income (OCI). Upon derecognition, the cumulative gain or loss recognised in OCI is reclassified to profit or loss.

(iii) Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI) – Equity Instruments

For equity investments not held for trading, the Company may make an irrevocable election at initial recognition to present changes in fair value in OCI. This election is made on an instrument-by-instrument basis.

Subsequent changes in fair value are recognised in OCI. Unlike debt instruments, there is no recycling of cumulative gains or losses to profit or loss on derecognition. Dividends from such investments are recognised in profit or loss when the right to receive payment is established, provided they represent a return on investment and not a recovery of cost.

(iv) Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial assets are classified as FVTPL if they:

- (a) Do not meet the criteria for amortised cost or FVTOCI; or
- (b) Are designated at FVTPL at initial recognition to eliminate an accounting mismatch.

Subsequent changes in fair value are recognised in profit or loss.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except when the Company changes its business model for managing the assets. Any such reclassification is applied prospectively from the reclassification date; prior periods are not restated.

SPPI Test

The SPPI test is performed at the instrument level to determine whether the contractual cash flows represent solely payments of principal and interest. For this purpose, "interest" is defined as consideration for the time value of money, credit risk, and other basic lending risks and costs, along with a profit margin.

Business Model Assessment

The Company's business model refers to how financial assets are managed to generate cash flows—whether through collecting contractual cash flows, selling financial assets, or both. This assessment is determined at a portfolio level and reflects how groups of financial assets are collectively managed to achieve a specific business objective.

iii) De-recognition

A financial asset is derecognised when:

- (a) The contractual rights to receive the cash flows from the asset have expired, or
- (b) The Company has transferred its contractual rights to receive the cash flows from the asset, and either:
 - (i) it has transferred substantially all the risks and rewards of ownership of the asset; or
 - (ii) it has neither transferred nor retained substantially all the risks and rewards of ownership, but has relinquished control of the asset.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the asset continues to be recognised on the balance sheet.

Where the Company neither transfers nor retains substantially all the risks and rewards of ownership but retains control of the transferred asset, the asset is recognised to the extent of the Company's continuing involvement.

Financial Liabilities

i) Initial Recognition and measurement

Financial liabilities are classified at initial recognition as:

- Financial liabilities at fair value through profit or loss (FVTPL),
- Financial liabilities measured at amortised cost (e.g., loans and borrowings, trade and other payables), or
- Derivatives designated as hedging instruments in an effective hedge, where applicable.

All financial liabilities are initially recognised at fair value. In the case of financial liabilities measured at amortised cost, initial recognition includes transaction costs that are directly attributable to the issue. The Company's financial liabilities primarily include trade and other payables, loans and borrowings, including bank overdrafts.

ii) Subsequent measurement:

Subsequent to initial recognition, financial liabilities are measured as follows:

(a) Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

This category includes:

- Financial liabilities held for trading (e.g., derivatives not designated as hedging instruments); and
- Financial liabilities designated as FVTPL at initial recognition to eliminate or significantly reduce an accounting mismatch.

Gains and losses on financial liabilities held for trading are recognised in the statement of profit and loss. For designated liabilities, changes in fair value attributable to the Company's own credit risk are recognised in OCI. These amounts are not subsequently reclassified to profit or loss. All other changes in fair value are recognised in profit or loss. The Company has not designated any financial liability as measured at FVTPL.

(b) Financial Liabilities at Amortised Cost

This category includes interest-bearing loans and borrowings that are subsequently measured using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss upon derecognition or through the amortisation process. Amortised cost is calculated by considering any premium or discount on acquisition and fees or costs that are an integral part of the EIR. The amortisation is recognised under finance costs in the statement of profit and loss.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is accounted for as a derecognition of the original liability and recognition of a new one. The difference in the carrying amounts is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v) Compulsorily Convertible Debentures

Compulsorily Convertible Debentures are separated into liability and equity components based on the terms of the instrument in accordance with Ind AS 32. At initial recognition:

- The liability component is measured at the fair value of a comparable instrument without a conversion option and classified as a financial liability measured at amortised cost.
- The residual amount is allocated to the equity component and recognised in equity, provided it meets the "fixed-for-fixed" conversion criterion.

Transaction costs are allocated to liability and equity components in proportion to their respective initial carrying amounts. The conversion option is not remeasured subsequently.

vi) Reclassification of financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively.

F. Property, plant and equipment**i) Recognition and initial measurement**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes:

- Purchase price (net of trade discounts and rebates),
- Import duties and non-refundable taxes,
- Directly attributable costs necessary to bring the asset to its intended working condition for its intended use, and
- Estimated costs of dismantling, removing the item, and restoring the site, where an obligation exists (measured at present value in accordance with Ind AS 37).

Freehold land is not depreciated and is carried at historical cost. Where significant components of an item of property, plant and equipment have different useful lives, they are accounted for separately. If an item of PPE is acquired on deferred credit terms (i.e. with a significant financing benefit), it is recognised at its cash price equivalent. The difference between the total payment and cash price is recognised as interest over the deferred period.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance are charged to profit or loss as incurred. If a component accounted for separately is replaced, the carrying amount of the replaced component is derecognised.

iii) Depreciation

Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets. The useful lives are determined in accordance with the manner prescribed under Schedule II to the Companies Act, 2013. Depreciation is charged from the date the asset is available for use and is calculated on a pro-rata basis for assets acquired or disposed of during the year.

The Company, based on technical evaluation and management judgement, has determined useful lives for certain assets that are different from those prescribed in Schedule II. These useful lives reflect the period over which the assets are expected to be used and are reviewed at least annually. Depreciation is not provided on freehold land.

Depreciation on buildings constructed on leasehold land is charged over the shorter of the lease term or the estimated useful life of the building. For leasehold improvements, depreciation is charged over the shorter of the useful life, typically 10 years, or the lease term including expected renewals.

Asset category	Useful life as per Schedule II	Management estimate of useful life
Buildings (Other than Factory buildings)	60 years	60 years
Factory Buildings	30 years	30 years
Plant and equipment	15 years	10-15 years
Furniture and fixtures	10 years	5-10 years
Motor Vehicles	10 years	10 years
Testing equipment's	10 years	10 years
Office equipment's	5 years	5 years
Demo Equipment	5 years	5 years
Computers		
- Servers and networks	6 years	6 years
- End user devises such as laptops, etc.	3 years	3-5 years

iv) Capital Work in Progress (CWIP) and Capital advances

Capital Work-in-Progress includes tangible assets that are under construction or development and are not yet ready for their intended use at the balance sheet date. These include expenditure incurred on assets that are in the course of construction, installation, testing, or commissioning. CWIP is carried at cost, which comprises:

- directly attributable acquisition and construction costs,
- borrowing costs eligible for capitalisation under Ind AS 23, and
- other expenses directly attributable to bringing the asset to its intended use.

No depreciation is charged on such assets until they are available for use. Once the asset is ready for its intended use, the accumulated cost is transferred to the appropriate category of property, plant and equipment and depreciation commences from the date the asset is available for use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other non-current assets.

v) Impairment of assets

The Company assesses at each reporting date whether there is any indication that an asset, or a group of assets (cash-generating unit), may be impaired in accordance with Ind AS 36. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of:

- Fair value less costs of disposal, and
- Value in use (present value of future expected cash flows).

Impairment losses are recognised in the Profit and Loss Account. Reversal of impairment losses is recognised only if there has been a change in the estimates used to determine the recoverable amount.

vi) Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Profit and Loss Account in the period of derecognition. The gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the asset.

G. Intangible assets

i) Recognition and initial measurement

Intangible assets are recognised only if:

- it is probable that the expected future economic benefits attributable to the asset will flow to the Company, and
- the cost of the asset can be measured reliably.

Intangible assets that are acquired separately are initially measured at cost. The cost comprises the purchase price and any directly attributable cost of preparing the asset for its intended use. Internally generated intangible assets, including research costs, are expensed as incurred, except for development costs which are capitalised if the recognition criteria under Ind AS 38 are met.

ii) Subsequent measurement

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it enhances the future economic benefits embodied in the specific asset. All other expenditure is expensed as incurred.

iii) Amortisation

Amortisation of intangible assets is recognised in the Profit and Loss Account on a straight-line basis over the asset's estimated useful life. The method and useful life are reviewed at each financial year-end and adjusted if necessary.

The estimated useful lives are as follows:

- Software - 3 years

Amortisation begins when the asset is available for use and continues until the asset is derecognised or fully amortised, whichever is earlier.

iv) Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is recognised in the Profit and Loss account in the period the asset is derecognised.

H. Inventories

Inventories consist of raw materials, stores and spares, work-in-progress, and finished goods, and are measured at the lower of cost or net realisable value. However, raw materials that are used in the production process are not written down below cost if the finished goods resulting from their use are expected to be sold at or above cost.

The cost of all categories of inventories is determined using the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing the inventories to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads, allocated based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

I. Impairment of assets

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, including trade receivables, in accordance with Ind AS 109 – Financial Instruments. At each reporting date, the Company assesses whether a financial asset is credit-impaired, which is defined as a situation where one or more events have a detrimental impact on the estimated future cash flows of the asset.

Objective evidence of credit impairment includes:

- significant financial difficulty of the borrower or issuer,
- breach of contract (e.g., default or delay in payments),
- high probability of bankruptcy or financial reorganisation of the borrower,
- disappearance of an active market due to financial distress."

ECL measurement

The Company measures expected credit losses (ECLs) on financial assets based on the extent of credit risk at the reporting date. For trade receivables, the Company always recognises loss allowances based on lifetime expected credit losses. This approach does not require tracking changes in credit risk after initial recognition. For other financial assets measured at amortised cost, the Company assesses credit risk at each reporting date and recognises loss allowances based on either:

- 12-month expected credit losses, if there has not been a significant increase in credit risk since initial recognition, or
- Lifetime expected credit losses, if credit risk has increased significantly or if the asset is credit-impaired.

The Company evaluates whether credit risk has increased significantly using reasonable and supportable information,

including forward-looking indicators, historic loss patterns, and internal risk ratings.

Measurement of expected credit losses

ECLs are probability-weighted estimates of credit losses, calculated as the present value of expected shortfalls between contractual cash flows and those the Company expects to receive.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Presentation in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

J. Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Termination Benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(v) Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

(vi) Employee Share Based Payments

Equity Settled Transactions

The Company provides share-based payment benefits to employees through stock option plans governed by employee stock option schemes.

Equity-settled share-based payments are accounted for in accordance with Ind AS 102 – Share-Based Payment. The fair value of stock options granted is determined on the grant date using an appropriate option pricing model (such as the Black-Scholes model) and is recognised as an employee benefit expense in the Statement of Profit and Loss over the vesting period, with a corresponding credit to Share-Based Payment Reserve under equity.

The expense is recognised based on the Company's estimate of the number of equity instruments that will ultimately vest. This estimate is revised at each reporting date, and any impact of the revision is recognised in the Statement of Profit and Loss, with a corresponding adjustment to equity.

If the terms of an equity-settled award are modified, the incremental fair value, if any, is recognised over the remaining vesting period. In case of forfeiture (i.e., if the employee leaves before vesting), the cumulative expense recognised is reversed in the Statement of Profit and Loss. If the options lapse or expire unexercised after vesting, the corresponding balance in Share-Based Payment Reserve is transferred within equity (e.g., to Retained Earnings or General Reserve).

ESOP Trust and Treasury Shares

The Company has formed an Employee Welfare Trust (EWT) for providing share-based payment to its employees. The Company uses EWT as a vehicle for distributing shares to employees under the Employee Stock Option Plan-2021. The EWT purchase shares of the Company from the secondary market, for giving shares to employees.

The Company treats EWT as its extension and shares held by EWT are treated as treasury shares. Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised on consolidation of the ESOP Trust in the Standalone statement of profit and loss of the Company on the purchase, sale, issue, or cancellation of the Company's own equity instruments. Share

options whenever exercised, would be settled from such treasury shares.

K. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessor

Leases for which the Company is a lessor are classified as a finance or operating lease. When ever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases are recognised on straight line basis over the term of relevant lease.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Right of use asset

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease Liability

The Company measures the lease liability at present value of the future lease payments at the commencement date of the lease.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

L. Income taxes

Taxes comprises Current Tax, Deferred tax and MAT credit. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income. The Company recognises interest levied and penalties relating to income tax assessments in interest expenses.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business

combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and

- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised for deductible temporary differences, the carry forwards of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(iii) Minimum Alternate Tax (MAT) Credit

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

M. Provision, contingent liabilities and contingent assets

Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure

required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are not recognised in financial statement. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Contingent Liabilities/Assets to the extent the Management is aware, are disclosed by way of notes to the financial statements.

N. Government grants

Recognition and measurement

Grants & Subsidies received from the Governments are recognised only when there is reasonable assurance that:

- The Company will comply with the conditions attached to the grant.
- There is a reasonable certainty that the grant will be received.

Government grants related to assets are treated as deferred income and are recognized in net profit in the statement of Profit & Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the Statement of Profit & Loss over the periods necessary to match them with the related costs which they are intended to compensate.

When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognized and measured at fair value and the Government grant is measured as the difference between the fair value of the loan and the proceeds received. It is recognized as deferred income and released to statement of Profit & Loss in proportionate over the loan tenure and presented within other income. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

O. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period excluding the treasury shares in accordance with Ind AS 33 Earnings per share.

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

P. Statement of cash flow

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

Q. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts and Cash Credit that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Whereas they are classified as borrowings under current liabilities in the balance sheet.

R. Investments in subsidiaries and associates

In the standalone financial statements, investments in subsidiaries and associates are carried at cost, less any accumulated impairment losses.

These investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indications exist, the investments are tested for impairment in accordance with Ind AS 36 – Impairment of Assets. Any impairment loss is recognised in the Statement of Profit and Loss.

Upon disposal of an investment, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the Statement of Profit and Loss.

S. Research and development costs (product development):

Research expenditure is recognized as an expense when it is incurred. Development expenditure on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the product.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

T. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

U. Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

V. Errors and estimates

The Company revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively, unless it is impracticable to apply.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of profit and loss is applied prospectively in the period(s) of change.

X. Recent pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to standalone financials statements

for the year ended 31 March 2025

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

4A. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Building	Computers	Plant & Machinery	Office Equipment	Testing Equipment	Shed	Demo Equipment	Furniture & Fixtures	Vehicles	Total
Cost											
As at 01 April 2023	648.95	5,564.31	555.97	266.81	686.91	419.06	-	1,101.47	660.86	348.49	10,252.83
Additions during the year	-	335.30	148.51	161.84	35.15	590.41	10.74	404.55	26.18	23.24	1,735.92
Deletions/adjustments	-	-	-	-	-	-	-	(38.55)	-	(15.71)	(54.26)
As at 31 March 2024	648.95	5,899.61	704.48	428.65	722.06	1,009.47	10.74	1,467.47	687.04	356.02	11,934.49
Additions during the year	-	1,605.31	171.27	106.99	116.19	6.75	-	987.19	15.36	103.22	3,112.28
Deletions/adjustments	-	-	-	-	(0.93)	(6.32)	-	-	-	(8.68)	(15.93)
As at 31 March 2025	648.95	7,504.92	875.75	535.64	837.32	1,009.90	10.74	2,454.66	702.40	450.56	15,030.86
Depreciation											
As at 01 April 2023	-	1,308.67	437.86	201.32	569.30	105.57	-	369.82	364.08	262.40	3,619.02
For the Year	-	135.32	73.80	17.77	37.83	110.57	0.07	235.69	54.88	28.01	693.94
Deletions/adjustments	-	-	-	-	-	(7.82)	-	-	-	(15.66)	(23.48)
As at 31 March 2024	-	1,443.99	511.66	219.09	607.13	216.14	0.07	597.69	418.96	274.75	4,289.48
For the Year	-	150.03	115.45	29.28	42.08	181.26	0.36	333.16	56.36	25.88	933.86
Deletions/adjustments	-	-	-	-	(0.03)	-	-	-	-	(7.81)	(7.85)
As at 31 March 2025	-	1,594.02	627.11	248.37	649.17	397.40	0.43	930.85	475.32	292.82	5,215.49
Carrying value											
As at 31 March 2024	648.95	4,455.62	192.82	209.56	114.93	793.33	10.67	869.78	268.08	81.27	7,645.02
As at 31 March 2025	648.95	5,910.90	248.64	287.27	188.15	612.50	10.31	1,523.81	227.08	157.74	9,815.37

4B. INTANGIBLE ASSETS

Particulars	Computer Software	Total
Gross Block		
As at 01 April 2023	1,066.16	1,066.16
Additions during the year	12.76	12.76
Deletions/adjustments	-	-
As at 31 March 2024	1,078.92	1,078.92
Additions during the year	239.19	239.19
Deletions/adjustments	-	-
As at 31 March 2025	1,318.11	1,318.11
Amortization		
As at 01 April 2023	1,046.70	1,046.70
For the Year	10.31	10.31
Deletions/adjustments	-	-
As at 31 March 2024	1,057.01	1,057.01
For the Year	17.14	17.14
Deletions/adjustments	-	-
As at 31 March 2025	1,074.15	1,074.15
Net Block		
As at 31 March 2024	21.90	21.90
As at 31 March 2025	243.96	243.96

4C. CAPITAL WORK-IN-PROGRESS

Particulars	31 Mar 2025	31 Mar 2024
Opening Balance	1,006.05	191.73
Add: Additions during the year	797.02	1,244.52
Less: Capitalisations during the year	(1,447.69)	(430.20)
Closing Balance	355.38	1,006.05

Ageing Schedule of Capital work-in-progress:

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
As at 31 March 2025					
- Projects in progress	355.38	-	-	-	355.38
As at 31 March 2024					
- Projects in progress	1,006.05	-	-	-	1,006.05

4D. RIGHT-OF-USE ASSETS

The Company's lease asset's consists of leases of land and buildings and vehicle having various lease terms. The Company has adopted IND AS 116 "Leases" to all lease contracts.

Particulars	Right-of-use assets	Total
Gross Block		
As at 01 April 2023	99.24	99.24
Additions during the year	128.05	128.05
Deletions/adjustments	-	-
As at 31 March 2024	227.29	227.29
Additions during the year	282.97	282.97
Deletions/adjustments	-	-
As at 31 March 2025	510.25	510.25

4D. RIGHT-OF-USE ASSETS (Contd.)

Particulars	Right-of-use assets	Total
Depreciation		
As at 01 April 2023	12.03	12.03
For the year	27.81	27.81
Deletions/adjustments	-	-
As at 31 March 2024	39.84	39.84
For the year	58.41	58.41
Deletions/adjustments	-	-
As at 31 March 2025	98.25	98.25
Net Block		
As at 31 March 2024	187.46	187.46
As at 31 March 2025	412.00	412.00

The following amounts related to Right-of-use assets were recognised in the statement of profit or loss:

Particulars	31 Mar 2025	31 Mar 2024
Interest expense	7.63	4.97
Amortisation expense	58.41	27.81
Total	66.04	32.77

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

4E. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Project in Progress	Total
As at 01 April 2023		
Additions during the year	60.00	60.00
Capitalisation/adjustments	-	-
As at 31 March 2024	60.00	60.00
Additions during the year	288.00	288.00
Capitalisation/adjustments	-	-
As at 31 March 2025	348.00	348.00

Ageing Schedule of Intangible assets under development:

Particulars	Amount in Intangible assets under development for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
As at 31 March 2025					
- Projects in progress	288.00	60.00	-	-	348.00
As at 31 March 2024					
- Projects in progress	60.00	-	-	-	60.00

5. INVESTMENTS (NON CURRENT)

Particulars	31 Mar 2025	31 Mar 2024
Unquoted investments:		
Investment in Subsidiaries (At cost unless otherwise stated)		
91,22,857 (31 March 2024 - 19,80,001) Equity shares of \$1/- each, fully paid up of Zen Technologies USA, INC	10,120.78	1,434.67
2,88,794 (31 March 2024 - 2,88,794) Equity shares of Rs. 10/- each, fully paid up of Unistring Tech Solutions Private Limited	700.07	700.07
10,409 (31 March 2024 - 10,409) Equity shares of Rs. 10/- each fully paid up of Aituring Technologies Private Limited	387.00	387.00

5. INVESTMENTS (NON CURRENT) (Contd.)

Particulars	31 Mar 2025	31 Mar 2024
99 (31 March 2024 - 99) Equity Shares of AED 1500/- each fully paid up of Zen Defence Technologies L.L.C, UAE	33.66	33.66
10,09,782 (31 March 2024 - Nil) Equity shares of Rs. 10/- each fully paid up of Applied Research International Private Limited	8,850.00	-
35,100 (31 March 2024 - Nil) Equity shares of Rs. 10/- each fully paid up of ARI Labs Private Limited	250.00	-
9,253 (31 March 2024 - Nil) Equity shares of Rs. 10 each partly paid up of Vector Technics Private Limited**	1,069.89	-
Investment in Associates (At cost unless otherwise stated)		
9,205 (31 March 2024 - Nil) Equity shares of Rs. 10 each fully paid up of Bhairav Robotics Private Limited	399.96	-
Investment in Others:		
75,20,000 (31 March 2024 - 75,20,000) Equity shares of Rs. 1/- each fully paid up of Zen Medical Technologies Pvt Ltd*	75.20	75.20
Less: Provision for Impairment of Investments*	(37.50)	-
17,500 (31 March 2024 - 17,500) Equity shares and 2,139 (31 st March 2024 - 2,139) Class Seed Preferred shares of Paladin AI INC.,**	224.22	224.22
Less: Provision for Impairment of Investments*	(224.22)	(224.22)
	21,849.06	2,630.60

* Refer Note 34 for details on provision for impairment of investments.

** Out of which 8,143 equity shares are partly paid as at 31 March 2025, unpaid portion is 65% of the issued price, amounting to Rs. 1,429.99 lakhs which is callable within 12 months from the issue date by the subsidiary's Board of Directors as per the terms of issue.

Acquisition of Applied Research International Private Limited (ARIPL)

On 14 February 2025, the Company has entered into an agreement to acquire 100% of Applied Research International Private Limited ("ARIPL") for a consideration of Rs. 12,750.00 Lakhs. The acquisition of ARIPL will be completed in 2 tranches, with the purchase of the first tranche of 76% for a consideration of Rs. 8,850.00 Lakhs which was completed on 28 February 2025. The second tranche for 24% of ARIPL, for a consideration of Rs. 3,900 Lakhs, will be completed on or before 28 February 2026, as per the terms of the acquisition agreement.

Acquisition of Applied Research Labs Private Limited (ALPL)

100% shares in ALPL have been acquired for a consideration of Rs. 250.00 Lakhs on 28 February 2025.

Acquisition of Vector Technics Private Limited

On 14 February 2025, the Board of Directors approved the acquisition of 51% of Vector Technics Private Limited ("Vector") for a consideration of Rs. 2,499.88 Lakhs. During the year, the Company has acquired partly paid equity shares of Vector for Rs. 1,069.89 Lakhs and the balance consideration amounting to Rs. 1,429.99 Lakhs shall be paid on or before 24 February 2026.

Investment in Zen Technologies USA, Inc.

During the quarter, the Company has invested US\$ 10 million (Rs. 8,686.00 Lakhs) in its wholly owned subsidiary Zen Technologies USA, Inc. to enable expanding the Company's footprint in North America and to leverage on new growth opportunities in the region.

Investment in Bhairav Robotics Private Limited

Pursuant to the approval of the Board of Directors, on 14 February 2025, the Company has acquired 45.33% of shares in Bhairav Robotics Private Limited for a consideration of Rs. 399.96 Lakhs.

6. LOANS

Particulars	31 Mar 2025	31 Mar 2024
Current		
Advances to Related Parties		
Unsecured		
Subsidiary		
Zen Defence Technologies L.L.C, UAE	0.80	2.91
	0.80	2.91

7. DEFERRED TAX LIABILITIES/(ASSETS) - (NET)

Particulars	31 Mar 2025	31 Mar 2024
Deferred Tax Asset		
MAT credit entitlement	-	-
Gratuity and Bonus	(115.13)	(68.68)
Borrowings	(20.83)	-
Security Deposit	(69.21)	-
Trade Receivables	(45.01)	-
Provision for expenses	(362.00)	-
Other comprehensive income items	(71.19)	(23.00)
Deferred Tax Liability		
Leases	50.15	(0.70)
Accelerated depreciation for tax purposes	657.05	726.12
Prepaid expenses & others	-	-
Income accrued but not due	-	-
	23.84	633.74

Refer Note 36 for further details.

8. OTHER NON CURRENT ASSETS

Particulars	31 Mar 2025	31 Mar 2024
Prepaid expenses [#]	104.17	61.75
Others ^{##}	51.83	51.84
	156.00	113.59

[#] represents amount paid in advance for the expenses that are not yet incurred as of the end of the financial year.

^{##} represents the cost of articles owned by the Company for the purpose of business promotion.

9. INVENTORIES

Particulars	31 Mar 2025	31 Mar 2024
Raw material	2,626.06	5,875.07
Work in progress	2,439.76	7,467.05
Finished Goods	36.00	-
	5,101.82	13,342.12

10. TRADE RECEIVABLES

Particulars	31 Mar 2025	31 Mar 2024
Trade Receivables	38,018.45	17,267.21
Less: Provision for expected credit losses	(178.83)	(352.34)
	37,839.62	16,914.87

Note:

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade Receivables are Non Interest Bearing.

Ageing Schedule of Trade receivables:**As at 31 March 2025**

Particulars	Outstanding for the following periods from the due date of payment						Total
	Not Due	< 6 months	<1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables - considered good	13,572.15	10,781.62	12,712.48	690.68	115.53	145.99	38,018.45
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired"	-	-	-	-	-	-	-
	13,572.15	10,781.62	12,712.48	690.68	115.53	145.99	38,018.45
Less: Provision for expected credit losses							(178.83)
Total							37,839.62

As at 31 March 2024

Particulars	Outstanding for the following periods from the due date of payment						Total
	Not Due	< 6 months	<1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables -considered good	12,444.77	1,851.42	2,218.23	275.86	399.20	77.73	17,267.21
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	12,444.77	1,851.42	2,218.23	275.86	399.20	77.73	17,267.21
Less: Provision for expected credit losses							(352.34)
Total							16,914.87

11. CASH AND CASH EQUIVALENTS

Particulars	31 Mar 2025	31 Mar 2024
Cash on hand	4.43	1.87
Balances with banks:		
- In current accounts	1,929.27	1,104.60
- In Fixed Deposits with original maturity Less than 3 months	1,490.00	1,500.00
	3,423.70	2,606.47

Reconciliation of liabilities from financing activities:

Particulars	31 March 2024	Cash flows	Non-Cash Transactions	31 Mar 2025
(a) Long-term borrowings (including current maturities)	-	4,635.26	585.10	5,220.36
(b) Lease liabilities	113.20	(191.04)	290.58	212.74
(c) Short-term borrowings	-	-	-	-
	113.20	4,444.22	875.68	5,433.10

*Excluding BG commission charges.

11. CASH AND CASH EQUIVALENTS (Contd.)**Reconciliation of liabilities from financing activities:** (Contd.)

Particulars	As at 31 March 2023	Cash flows	Non-Cash Transactions	As at 31 March 2024
(a) Long-term borrowings (including current maturities)	427.34	(427.34)	32.41	-
(b) Lease liabilities	10.12	(17.91)	120.99	113.20
(c) Short-term borrowings	157.08	(157.08)	-	-
	594.54	(602.33)	153.40	113.20

*Excluding BG commission charges.

12. OTHER BANK BALANCES

Particulars	31 Mar 2025	31 Mar 2024
Balances with banks for unclaimed dividend	8.10	6.45
- Bank deposits held as margin money against bank guarantees	12,053.21	4,820.83
- Bank Deposits with maturity more than 3 months and less than 12 Months	68,226.65	6,722.49
- Other Fixed Deposits	208.37	63.39
	80,496.33	11,613.15

13. OTHER FINANCIAL ASSETS

Particulars	31 Mar 2025	31 Mar 2024
Non-Current		
Bank Deposits with maturity more than 12 months	20,010.84	2,280.25
Security deposits	37.12	61.64
Deposits with government, public bodies and others	14.21	14.21
Advance for acquisition of shares	252.84	252.84
Less: Provision for impairment on Advances towards investment	-252.84	-
	20,062.17	2,608.95
Current		
Unsecured, Considered good		
Accrued Income but not due	1,110.63	818.09
Interest accrued but not due on deposits	1,448.34	180.99
	2,558.97	999.08

Refer Note 34 for Provision for impairment on Advances towards investment.

14. CURRENT TAX ASSETS (NET)

Particulars	31 Mar 2025	31 Mar 2024
Taxes paid	133.68	170.49
	133.68	170.49

15. OTHER CURRENT ASSETS

Particulars	31 Mar 2025	31 Mar 2024
Unsecured, considered good		
Prepaid Expenses	300.22	232.63
Balance with Statutory Authorities	2,240.09	4,540.85
Advance to material suppliers	2,190.51	7,091.43

15. OTHER CURRENT ASSETS (Contd.)

Particulars	31 Mar 2025	31 Mar 2024
Advance to Other Creditors	5.32	-
Capital Advances	-	34.59
Duty Credit Scripts	-	0.41
Advances to Employees	14.64	16.70
Other Advances	0.10	-
	4,750.88	11,916.61

16. EQUITY SHARE CAPITAL**(i) Authorised share capital**

Particulars	Equity Shares	No. of shares Amount in lakhs
Equity share of Rs. 1 each issued, authorised share capital		
As at 01 April 2023	20,00,00,000	2,000.00
Increase/(Decrease) during the year	-	-
As at 31 March 2024	20,00,00,000	2,000.00
Increase/(Decrease) during the year	-	-
As at 31 March 2025	20,00,00,000	2,000.00

(ii) Issued share capital

Particulars	Equity Shares	No. of shares Amount in lakhs
Equity share of Rs. 1 each issued, subscribed and fully paid up		
As at 01 April 2023	7,95,10,000	795.10
Increase/(Decrease) during the year	45,34,260	45.34
As at 31 March 2024	8,40,44,260	840.44
Increase/(Decrease) during the year	62,46,096	62.46
As at 31 March 2025	9,02,90,356	902.90

(iii) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 1/- each. Each equity share holder is entitled to one vote per equity share held.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) The details of shares held by shareholder holding more than 5% of shares in the Company

Particulars	31 Mar 2025		31 Mar 2024	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of Rs. 1/- each fully paid up				
Ashok Atluri	1,95,46,103	21.65%	2,15,46,103	25.64%
Kishore Dutt Atluri	1,47,40,970	16.33%	1,57,40,970	18.73%

(v) For Compulsorily Convertible Debentures (CCDs) refer Note 49.

16. EQUITY SHARE CAPITAL (Contd.)**(vi) Shares held by promoters and promoter group****As at 31 March 2025**

Particulars	Class of Equity share	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
Ashok Atluri	Equity share of Rs. 1 each	2,15,46,103	(20,00,000)	1,95,46,103	21.65%	-9.28%
Kishore Dutt Atluri	Equity share of Rs. 1 each	1,57,40,970	(10,00,000)	1,47,40,970	16.33%	-6.35%
Tara Dutt Atluri	Equity share of Rs. 1 each	18,89,756	-	18,89,756	2.09%	0.00%
Rama Devi Atluri	Equity share of Rs. 1 each	26,70,000	-	26,70,000	2.96%	0.00%
Satish Atluri	Equity share of Rs. 1 each	11,84,000	-	11,84,000	1.31%	0.00%
Anisha Atluri	Equity share of Rs. 1 each	10,00,000	-	10,00,000	1.11%	0.00%
Arjun Dutt Atluri	Equity share of Rs. 1 each	10,00,000	-	10,00,000	1.11%	0.00%
Ravi Kumar Midathala	Equity share of Rs. 1 each	5,00,000	-	5,00,000	0.55%	0.00%
Beena Atluri	Equity share of Rs. 1 each	4,34,364	-	4,34,364	0.48%	0.00%
Nagarjunudu Kilari	Equity share of Rs. 1 each	1,50,290	-	1,50,290	0.17%	0.00%
Indira Garapati	Equity share of Rs. 1 each	1,20,000	-	1,20,000	0.13%	0.00%
Nandita Sethi	Equity share of Rs. 1 each	50,000	-	50,000	0.06%	0.00%
Abhilasha Atluri	Equity share of Rs. 1 each	-	10,00,000	10,00,000	1.11%	100.00%

As at 31 March 2024

Promoter Name	Class of Equity share	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
Ashok Atluri	Equity share of Rs. 1 each	2,13,11,220	2,34,883	2,15,46,103	25.64%	1.10%
Kishore Dutt Atluri	Equity share of Rs. 1 each	1,57,56,220	(15,250)	1,57,40,970	18.73%	-0.10%
Tara Dutt Atluri	Equity share of Rs. 1 each	33,89,756	(15,00,000)	18,89,756	2.25%	-44.25%
Rama Devi Atluri	Equity share of Rs. 1 each	26,70,000	-	26,70,000	3.18%	0.00%
Satish Atluri	Equity share of Rs. 1 each	11,84,000	-	11,84,000	1.41%	0.00%
Anisha Atluri	Equity share of Rs. 1 each	10,00,000	-	10,00,000	1.19%	0.00%
Arjun Dutt Atluri	Equity share of Rs. 1 each	10,00,000	-	10,00,000	1.19%	0.00%
Ravi Kumar Midathala	Equity share of Rs. 1 each	7,50,000	(2,50,000)	5,00,000	0.59%	-33.33%
Beena Atluri	Equity share of Rs. 1 each	4,34,364	-	4,34,364	0.52%	0.00%
Nagarjunudu Kilari	Equity share of Rs. 1 each	1,50,290	-	1,50,290	0.18%	0.00%
Indira Garapati	Equity share of Rs. 1 each	1,20,000	-	1,20,000	0.14%	0.00%
Nandita Sethi	Equity share of Rs. 1 each	50,000	-	50,000	0.06%	0.00%

(vii) Shares Reserved for issue under options

For details of shares reserved for issue under the employee stock option ("ESOP") plan of the Company, please refer note 45.

17. OTHER EQUITY

Particulars	Notes	31 Mar 2025	31 Mar 2024
Securities premium	17.1	1,09,045.14	11,088.60
Capital redemption reserve	17.2	117.24	117.24

17. OTHER EQUITY (Contd.)

Particulars	Notes	31 Mar 2025	31 Mar 2024
General reserve	17.3	3,595.95	3,525.01
Retained earnings	17.4	56,131.40	30,734.61
Share Warrants	17.5	-	-
Other Comprehensive Income	17.6	(157.13)	(13.84)
Equity Component of Compound Financial Instruments	17.7	-	-
Share Based Payments Reserve	17.8	230.73	285.94
Treasury Shares	17.9	(967.65)	(1,265.34)
		1,67,995.68	44,472.21

17.1 Securities premium

Particulars	31 Mar 2025	31 Mar 2024
Opening balance	11,088.60	2,654.31
Add: Additions during the year	97,956.54	8,434.29
	1,09,045.14	11,088.60

Amount received on issue of shares in excess of the face value has been classified as securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.

17.2 Capital redemption reserve

Particulars	31 Mar 2025	31 Mar 2024
Opening balance	117.24	117.24
Add: Additions during the year	-	-
	117.24	117.24

As per the Companies Act, 2013 Capital Redemption Reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of shares so purchased during the year ended 31 March 2014 has been transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

17.3 General reserve

Particulars	31 Mar 2025	31 Mar 2024
Opening balance	3,525.01	3,525.01
Add: Additions during the year	70.94	-
	3,595.95	3,525.01

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

17.4 Retained earnings

Particulars	Notes	31 Mar 2025	31 Mar 2024
Opening balance		30,734.61	17,977.96
Add: Net profit for the year		26,295.07	12,923.45
	(A)	57,029.68	30,901.41
Less: Dividend distributed to equity shareholders	(B)	(898.28)	(166.81)
	(A-B)	56,131.40	30,734.61

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions to shareholders.

17. OTHER EQUITY (Contd.)**17.5 Share Warrants**

Particulars	Notes	31 Mar 2025	31 Mar 2024
Opening balance		-	250.08
Add: Amount received on account of allotment of share warrants		-	750.24
	(A)	-	1,000.32
Less: Allotment of equity Shares pursuant to conversion of share warrants	(B)	-	1,000.32
	(A-B)	-	-

During the year ended 31 March 2022, the Company has issued share warrants and 25% of the subscription amount was received at the time of allotment of share warrants. Balance amount (75%) was received during the year ended 31 March 2024 and the Company has converted the share warrants to equity shares in the same financial year.

17.6 Other Comprehensive Income

Particulars	31 Mar 2025	31 Mar 2024
Actuarial Gain or Loss:		
Opening balance	10.94	42.13
Add: Additions during the year	(78.87)	(31.19)
Closing Balance	(67.93)	10.94
Foreign Currency Translation Reserve:		
Opening balance	(24.78)	-
Add: Additions during the year	(64.42)	(24.78)
Closing Balance	(89.20)	(24.78)
	(157.14)	(13.84)

17.7 Equity Component of Compound Financial Instruments

Particulars	Notes	31 Mar 2025	31 Mar 2024
Opening balance		-	7,479.32
Add: Equity component of Compulsorily Convertible Debentures (CCD) issued		-	-
	(A)	-	7,479.32
Less: Allotment of equity Shares pursuant to conversion of CCD's	(B)	-	7,479.32
	(A-B)	-	-

Refer Note 49 for further details

17.8 Share Based Payments Reserve

Particulars	31 Mar 2025	31 Mar 2024
Opening Balance	285.94	44.21
Add: Employee Share Based Payment Expense	191.61	437.69
	477.55	481.90
Less: Exercise of Share Options	(246.82)	(195.96)
	230.73	285.94

Share based payment is created as per Ind AS 102, Share Based Payments, which requires the fair value of equity settled share based payments to be recognised over the vesting period. The reserve represents the cumulative expense for employee stock options and is adjusted for grants, vesting, forfeiture and exercise. It is part of equity and not available for distribution. Refer Note 45 for details on the Employee Stock Option Plan.

17. OTHER EQUITY (Contd.)**17.9 Treasury Shares**

Particulars	31 Mar 2025	31 Mar 2024
Opening Balance	(1,265.35)	(966.13)
Add: Purchase of treasury shares	-	(477.09)
	(1,265.35)	(1,443.22)
Less: Issue of Treasury Shares	297.70	177.87
	(967.65)	(1,265.35)

Treasury shares represent the shares of the Company held by the Zen Technologies Limited Employees Welfare Trust (ESOP Trust).

The Company has issued an employees stock option scheme for its employees. The shares of the Company have been purchased and held by the ESOP Trust to issue and allot to employees at the time of exercise of ESOP by Employees. Refer Note3 (j) and note 45..

18. BORROWINGS (NON CURRENT)

Particulars	31 Mar 2025	31 Mar 2024
Secured (at amortized cost)		
Term loans from NBFC		
(a) Indian Rupee term loan	5,220.36	-
Less:		
Current maturities of long-term debt (Refer note 21)	1,200.00	
	4,020.36	-

19. OTHER FINANCIAL LIABILITIES

Particulars	31 Mar 2025	31 Mar 2024
19A Non-Current		
At amortised cost		
Lease Liabilities	175.36	89.78
	175.36	89.78
Deferred Govt.Grant (IDEX SPARK Grant)	15.00	15.00
	15.00	15.00
19B Current		
Unclaimed dividends	8.10	6.45
Provision for expenses	5,393.14	695.95
Salaries and benefits	593.73	217.15
Bonus and incentives	0.02	136.45
Other Payables	765.98	626.87
	6,760.97	1,682.88
19C Current		
At amortised cost		
Lease Liabilities	37.37	23.41
	37.37	23.41

20. PROVISIONS

Particulars	31 Mar 2025	31 Mar 2024
Non current		
- Provision for gratuity	313.16	305.17
	313.16	305.17

21. BORROWINGS (CURRENT)

Particulars	31 Mar 2025	31 Mar 2024
Secured (at amortized cost)		
Current maturities of long-term debt	1,200.00	-
	1,200.00	-

Notes:

- The Company has not used borrowings taken from banks and financial institutions for the purpose other than for which it was taken.
- Quarterly returns or statements of current assets filed with banks are in agreement with the books of account of the Company.

Security:

The Company's borrowings, from banks and NBFCs, are secured by first pari passu charge on the property, plant and equipments, both present and future. Working capital loans have first pari passu charge on the Company's entire current assets, both present and future, and second pari passu charge on the Company's property, plant and equipments, both present and future as per the borrowing terms.

22. TRADE PAYABLES

Particulars	31 Mar 2025	31 Mar 2024
Trade payables		
- Dues to Micro and Small Enterprises	835.22	1,846.66
Dues to creditors other than micro and small enterprises	345.15	768.82
	1,180.37	2,615.48

Ageing Schedule of Trade Payables:

As at 31 March 2025

Particulars	Outstanding for the following periods from the due date of payment					Total
	Not Due	<1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues- MSME	835.22	-	-	-	-	835.22
(ii) Undisputed dues- Others	271.40	53.73	3.26	16.48	0.28	345.15
	1,106.62	53.73	3.26	16.48	0.28	1,180.37

As at 31 March 2024

Particulars	Outstanding for the following periods from the due date of payment					Total
	Not Due	<1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues- MSME	1,846.66	-	-	-	-	1,846.66
(ii) Undisputed dues- Others	-	744.63	23.29	0.62	0.28	768.82
	1,846.66	744.63	23.29	0.62	0.28	2,615.48

23. OTHER CURRENT LIABILITIES

Particulars	31 Mar 2025	31 Mar 2024
Income billed but not due	398.24	325.41
Taxes payable	1,147.94	2,816.89
Advance from customers	2,949.03	17,322.56
	4,495.21	20,464.86

24. PROVISIONS

Particulars	31 Mar 2025	31 Mar 2024
-Provision for gratuity	144.30	-
	144.30	-

25. CURRENT TAX LIABILITIES (NET)

Particulars	31 Mar 2025	31 Mar 2024
Provision for Income Tax (net of advance tax)	283.22	696.30
	283.22	696.30

26. REVENUE FROM OPERATIONS

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
(a) Sale of products	89,234.64	39,706.62
(b) Rendering of services	3,832.08	3,320.89
	93,066.72	43,027.51

Contract balances:

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
(a) Receivables		
Trade Receivables (refer note 10)	38,018.45	17,267.21
Less: Provision for expected credit losses	(178.83)	(352.34)
Net Receivables	37,839.62	16,914.87
(b) Contract Liabilities		
Advances received from customers (refer note 23)	2,949.03	17,322.56
Income billed but not due (refer note 23)	398.24	325.41
	3,347.27	17,647.97
(c) Contract Assets		
Accrued income but not due (Refer note 13)	1,110.63	818.09
	1,110.63	818.09

27. OTHER INCOME

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Interest income	4,840.04	1,062.03
Foreign exchange fluctuation gain (net)	239.46	53.21
Other Income	698.94	277.79
	5,778.44	1,393.02

28. COST OF MATERIALS AND COMPONENTS CONSUMED

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Opening stock of raw materials	5,875.07	1,015.69
Add: Purchases	35,782.14	22,956.05
	41,657.21	23,971.74
Less: Closing stock of raw materials	2,626.06	5,875.07
	39,031.15	18,096.67

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Opening work in progress	7,467.05	3,095.82
Opening Finished Good	-	-
Opening stock-in-trade	-	-
	7,467.05	3,095.82
Closing work in progress	2,439.76	7,467.05
Closing Finished Good	36.00	-
Closing stock-in-trade	-	-
	2,475.76	7,467.05
Decrease/(Increase) in Inventory	4,991.29	(4,371.23)

30. MANUFACTURING EXPENSES

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Power and fuel	42.00	36.08
Factory Maintenance	780.55	559.11
Factory Wages	482.30	408.17
Material Handling Charges	45.61	9.37
Travel expenses - Production	0.94	8.12
Training Charges	3.70	0.43
Other consumables	42.92	45.41
	1,398.02	1,066.69

31. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Salaries, wages and bonus	5,105.35	3,611.01
Contribution to provident and other funds (Note 38)	85.99	69.51
Directors' sitting fees (Note 40)	12.50	10.50
Gratuity expense (Note 38)	80.13	57.07
Staff welfare expenses	225.85	137.87
Share based Payment Expenses (Note 45)	191.71	437.69
	5,701.53	4,323.66

32. FINANCE COSTS

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Bank Charges	13.62	29.28
BG Commission	151.87	115.34
Processing Charges	39.34	29.32
Interest on borrowings		
- interest on Lease Liability	7.63	4.97
- interest on Term Loan	587.21	-
- interest on Vehicle loan	-	0.07
- interest on MSME dues	1.01	0.19
- interest others	141.40	4.89
	942.08	184.05

33. DEPRECIATION AND AMORTISATION

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Depreciation and Amortization Expense	950.99	704.25
Depreciation on Right-of-use assets	58.41	27.81
	1,009.40	732.05

34. OTHER EXPENSES

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Business Promotion	162.85	119.98
Exhibition expenses	359.87	163.36
Commission on sales	98.17	1,234.92
System Installation & Maintenance	311.53	127.61
Freight	634.29	157.33
Domestic Travel	619.63	414.04
Foreign Travel	407.81	332.91
Advertisement	101.52	140.09
Conveyance	68.87	45.27
Corporate Social Responsibility Expense**	159.30	40.50
Electricity Charges	50.55	44.33
Insurance	49.45	55.40
Office Maintenance	471.15	234.67
Postage & Telephone	35.69	35.33
Printing & Stationery	25.60	25.33
Professional Charges	3,549.18	656.48
Rates & Taxes	63.23	68.32
Rent	336.19	176.57
Security expenses	80.18	58.70
Vehicle Maintenance	41.25	34.33
Computer Maintenance	0.41	2.22
Rent on Machinery-R&D	1.12	-

34. OTHER EXPENSES (Contd.)

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Rent on Lease Vehicle	4.16	-
Spares & Stores	1,527.46	733.29
Advances Written off	-	115.50
Provision for Impairment of Advances	252.84	-
Provision for Impairment of Investment	37.50	224.22
Provision for Expected Credit Loss	165.22	363.21
Payment to Auditors*	48.65	8.85
Provision for Advances	-	22.85
Provision for Warranties	538.32	206.14
Other Expenses	370.65	346.82
	10,572.64	6,188.58
(i) Payment to auditors*		
For Statutory Audit	15.00	5.50
For Certification Fee	32.65	2.35
For Other Services	1.00	1.00
	48.65	8.85
(ii) Details of CSR expenditure**		
a) Gross amount required to be spent by the Company during the year	159.30	40.50
b) Amount approved by the board to be spent during the year	159.30	40.50
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	159.30	40.50

Amount spent during the year ended on 31 March 2025:

Particulars	In Cash	Yet to be paid in Cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purpose other than (i) above	76.85	-	76.85

Amount spent during the year ended on 31 March 2024:

Particulars	In Cash	Yet to be paid in Cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purpose other than (i) above	40.50	-	40.50

Details of spent/unspent obligations:

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable trust	76.85	40.50
iii) unspent amount in relation to:		
- Ongoing Project	82.45	-
- Other than Ongoing Project	-	-
	159.30	40.50

Provision for impairment of investment:

During the year, the Company assessed the carrying value of its investment in Zen Medical Technologies Private Limited in accordance with Ind AS 36, Impairment of Assets. Based on the assessment of future cash flows, business performance, and other relevant indicators of impairment, the carrying amount of the investment was determined to be higher than the recoverable amount. Accordingly, an amount of Rs. 37.50 lakhs has been recognized as impairment in the Statement of Profit and Loss for the year ended 31 March 2025. The revised carrying value of the investment as at 31 March 2025 is Rs. 37.50 lakhs (Refer Note 5).

For the year ended 31 March 2024, the Company had written off its entire investment of Rs. 224.22 lakhs after assessing it as fully impaired in Paladin AI INC.

Provision for impairment of advances:

During the year ended 31 March 2025, the Company has recognised an impairment of Rs. 252.84 lakhs on advance given to Paladin AI INC, considering the recoverability doubtful.

35. COMPONENTS OF OTHER COMPREHENSIVE INCOME

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit plans	(105.40)	(44.01)
Deferred tax on remeasured gain/(loss)	26.53	12.82
Items that will not be reclassified subsequently to statement of profit or loss		
Re-measurement gains/(losses) on foreign currency translation reserve	(86.08)	(34.96)
Income tax relating to items that will not be reclassified to profit or loss	21.66	10.18
Total Other Comprehensive Income, net of tax	(143.29)	(55.97)

36. INCOME TAX

The major components of income tax expenses for the year ended 31 March 2025 and 31 March 2024 are as follows:

Profit or loss section

Particulars	31 March 2025	31 March 2024
Current tax expense	9,443.00	3,523.53
Adjustment of tax relating to earlier periods	-	-
MAT credit utilisation	-	1,886.92
Deferred tax	(561.71)	107.07
Earlier Year Taxes	22.69	-
Total income tax expense recognised in Statement of Profit and Loss	8,903.98	5,517.52

OCI section

Particulars	31 March 2025	31 March 2024
Tax Effect on remeasurement of defined benefit plans	48.19	23.00
Income tax charged to OCI	48.19	23.00

a) Reconciliation of tax expense to the accounting profit is as follows:

Particulars	31 March 2025	31 March 2024
Profit before tax	35,199.05	18,440.97
At India's statutory income tax rate of 25.17%	8,858.90	5,370.01
Adjustments in respect of current income tax of previous years	22.69	-

36. INCOME TAX (Contd.)**a) Reconciliation of tax expense to the accounting profit is as follows:** (Contd.)

Particulars	31 March 2025	31 March 2024
Adjustments:		
Items which are not tax deductible for computing taxable income	95.89	59.03
Effect of change in income tax rate for deferred tax recognised	(25.05)	38.74
Effect of items which are not taxable for computing taxable income	(48.45)	50.95
Others	-	(1.21)
Income tax expense recognised in the Statement of Profit and Loss	8,903.98	5,517.52

b) Deferred tax asset/(liability)

Particulars	31 March 2025	31 March 2024
Deferred tax liability (net)	(23.84)	(633.74)
MAT credit entitlement	-	-
Deferred tax asset (net)	(23.84)	(633.74)

31 March 2025

Particulars	Opening balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	MAT Credit availed/ (utilization)	Closing balance
Deferred tax (liabilities)/assets in relation to:					
MAT credit	-	-	-	-	-
Timing difference on:					
- Property, plant and equipment	(726.12)	69.07	-	-	(657.05)
- Disallowances under Income Tax Act, 1961, allowed on payment basis	67.40	429.27	-	-	496.67
- Remeasurement of defined benefit plans	23.86	-	48.19	-	72.05
- Others	1.13	63.37	-	-	64.50
Deferred tax (liabilities)/assets (Net)	(633.73)	561.71	48.19	-	(23.84)

31 March 2024

Particulars	Opening balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	MAT Credit availed/ (utilization)	Closing balance
Deferred tax (liabilities)/assets in relation to:					
MAT credit	1,886.92	-	-	(1,886.92)	-
Timing difference on:					
- Property, plant and equipment	(646.38)	(79.74)	-	-	(726.12)
- Disallowances under Income Tax Act, 1961, allowed on payment basis	100.23	(32.83)	-	-	67.40
- Remeasurement of defined benefit plans	0.86	-	23.00	-	23.86
- Others	1.08	0.05	-	-	1.13
Deferred tax (liabilities)/assets (Net)	1,342.70	(112.51)	23.00	(1,886.92)	(633.73)

37. EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity holders (after adjusting for interest on the Compulsory convertible debentures) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	31 March 2025	31 March 2024
Earnings per equity share		
Profit attributable to equity shareholders (Rs. in lakhs)	26,295.07	12,923.45
Add: Interest on Compulsory Convertible Debentures (CCD)	-	3.59
Adjusted earnings	26,295.07	12,927.05
Weighted average number of equity shares outstanding of face value of Rs. 1/- each	8,40,44,260	7,95,10,000
Add: Post conversion of CCD's on allotment of ordinary shares of face value of Rs. 1/- each	-	34,76,033
Add: New allotment of ordinary shares of face value of Rs. 1/- each	37,81,883	-
Add: Conversion of share warrants on allotment of ordinary shares of face value of Rs. 1/- each	-	4,01,626
Less: Weighted average number of equity shares held by ESOP trust of Face value of Rs. 1/- each	(4,32,081)	(6,05,788)
Weighted average number of equity shares for Basic EPS (Nos.)	8,73,94,062	8,27,81,871
Effect of dilutive equivalent Compulsorily convertible debentures	-	5,88,594
Weighted average number of equity shares for dilutive EPS (Nos.)	8,73,94,062	8,33,70,465
Face value per equity share (Rs.)	1.00	1.00
Earning per share - Basic (Rs.)	30.09	15.61
Earning per share - Diluted (Rs.)	30.09	15.51

38. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

(a) Defined contribution plan

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Profit or loss section		
Contribution to provident fund recognised as expense (Note 31)	85.99	69.51

(b) Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service is eligible to receive gratuity calculated at 15 days of last drawn basic salary for each completed year of service. The scheme is funded through a qualifying insurance policy.

The following table provides the components of net defined benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet towards the gratuity plan:

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Statement of profit and loss		
Net employee benefit expense recognised in employee cost (Note 31)		
Current service cost	63.84	44.99
Past service cost	-	-
Interest cost on defined benefit obligation	27.74	21.54
Interest income on plan assets	(11.45)	(9.46)
Other adjustments	-	-

38. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)**(b) Defined benefit plan** (Contd.)

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Net benefit expense	80.13	57.07
Re-measurement during the year due to:		
Actuarial loss/(gain) arising from change in financial assumptions	87.51	3.30
Actuarial loss/(gain) arising from change in demographic assumptions	(10.81)	-
Actuarial loss/(gain) arising on account of experience changes	18.53	40.33
Return on plan assets excluding interest income	10.17	0.38
Amount recognised in OCI outside profit and loss statement	105.40	44.01
Balance Sheet		
Reconciliation of net liability/asset		
Closing present value of defined benefit obligation	637.38	456.57
Closing fair value of plan assets	(179.92)	(151.40)
Closing net defined benefit liability	457.46	305.17
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	305.17	228.92
Current service cost	63.84	44.99
Past service cost	-	-
Interest cost	16.29	12.08
Adjustment to opening balance	-	-
Re measurement during the period due to:		
Actuarial loss/(gain) arising from change in financial assumptions	87.51	3.30
Actuarial loss/(gain) arising from change in demographic assumptions	(10.81)	-
Actuarial loss/(gain) arising on account of experience changes	18.53	40.33
Return on plan assets excluding interest income	10.17	0.38
Benefits paid	(33.23)	(24.84)
Closing defined benefit obligation	457.46	305.17
Change in fair value of plan assets during the year		
Opening Fair Value of Plan Assets	151.40	122.65
Adjustment to opening balance	-	-
Contributions paid by the employer	33.23	24.84
Return plan assets (Excluding interest income)	(10.19)	(0.38)
Benefits paid	(5.97)	(5.17)
Interest income on Plan Assets	11.45	9.46
Closing Fair Value of Plan Assets	179.92	151.40

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Discount rate (p.a.)	6.35%	6.97%
Salary escalation rate (p.a.)	10.00%	6.00%
Mortality rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Disability rate	0.00%	0.00%
Withdrawal rate (Past service (PS))	PS:0 to 42: 17.24%	PS:0 to 42: 15%
Normal retirement age (in years)	60	60
Adjusted average future service	4.42	5.22

38. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

A quantitative analysis for significant assumptions is as shown below:

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Assumptions - Discount rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	610.17	437.89
Impact of Decrease in 1% on defined benefit obligation	667.36	477.15
Assumptions - Salary Escalation rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	657.06	472.31
Impact of Decrease in 1% on defined benefit obligation	618.08	441.54

Asset Liability Comparisons

Year	31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2025
PVO at the end of the period	270.39	304.27	351.58	456.57	637.38
Plan Assets	104.36	121.89	122.65	151.40	179.92
Surplus/(Deficit)	(166.03)	(182.38)	(228.92)	(305.17)	(457.46)
Experience adjustment on plan assets	1.63	1.39	(0.45)	(0.38)	(10.18)

The estimates of future salary increases, considered in actuarial valuation, take account relevant factors including inflation, seniority and promotions.

Expected contributions to the defined benefit plan in future years is given below:

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Expected future benefit payments		
Within the next 12 months (next annual reporting period)	144.30	117.22
Between 2 and 5 years	300.44	216.35
Between 6 and 10 years	244.37	164.33
Total expected payments	689.11	497.91

The weighted average duration of the defined benefit plan obligation as at 31 March 2025 based on discounted cash flows is 3.81 years (31 March 2024: 4.26 years).

39. CONTINGENT LIABILITIES AND COMMITMENTS**(a) Contingent liabilities****i) Claims against the Company not acknowledged as debts:**

- On account of Direct Tax matters - Rs. 435.83 lakhs (31 March 2024: Rs. 441.48 Lakhs).
- On account of Indirect Tax matters (Central Excise Duty) - Rs. 823.40 lakhs (31 March 2024: Rs. 823.40 lakhs).

The Company is contesting the demands raised by the tax authorities. The Company's Management and its tax advisors, believe that its position will likely be upheld in the appellate process with respect to Direct Tax and Indirect tax matters. No tax expense has been accrued in the financial statements for the tax demand raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

Income tax demands mainly include the appeals filed by the Company before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed and the computation of, or eligibility of, the Company's use of certain tax incentives or allowances.

39. CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)**(b) Commitments****Estimated amount of contracts remaining to be executed on capital account and not provided for:**

At 31 March 2025, the Company has commitments of Rs. 591.98 lakhs relating to construction of new factory building at Adibatla) (31 March 2024: Rs. 412.96 lakhs relating to construction of new factory building at Maheswaram).

40. RELATED PARTY TRANSACTIONS

Information on names of related parties and nature of relationship as required by Ind AS 24 on Related Party Disclosures are given below:

A) Nature of relationship and names of related parties

Name of the party	Nature of relationship
(a) Parties where control exists:	
Zen Technologies USA, Inc.	Subsidiary Company
Unistring Tech Solutions Private Limited	Subsidiary Company
Zen Medical Technologies Private Limited	Subsidiary Company
Zen Defence Technologies L.L.C, UAE	Subsidiary Company
Aituring Technologies Private Limited	Subsidiary Company
Applied Research International Private Limited	Subsidiary Company
ARI Labs Private Limited	Subsidiary Company
Vector Technics Private Limited	Subsidiary Company
Applied Research International USA Inc.	Step-down Subsidiary Company
Applied Research International (UK) Ltd	Step-down Subsidiary Company
ARI (Applied Research International) Pte. Ltd.	Step-down Subsidiary Company
KIC Solutions Co., Ltd	Joint -Venture
(b) Key Managerial Personnel (KMP):	
Mr. Ashok Atluri	Chairman & Managing Director
Mr. Kishore Dutt Atluri	President & Joint Managing Director
Mr. M Ravi Kumar	Whole Time Director
Ms. Shilpa Choudari	Whole Time Director
Dr. Ravindra Kumar Tyagi	Independent Director
Ms. Sirisha Chintapalli	Independent Director
Dr. Ajay Kumar Singh	Independent Director
Mr. Sanjay V Jesrani	Independent Director
Mr. Raghavendra Prasad Movva	Company Secretary & Compliance Officer (Till 24 September 2024)
Mr. Sourav Dhar	Company Secretary & Compliance Officer (w.e.f 2 November 2024)
Mr. Afzal Harunbhai Malkani	Chief Financial Officer
(c) Relatives of Key Managerial Personnel	
Mr. Arjun Dutt Atluri	Vice President, Son of Mr. Kishore Dutt Atluri
Mrs. Rama Devi Atluri	Spouse of Mr. Kishore Dutt Atluri
Ms. Anisha Atluri	Head Recruitment, Daughter of Mr. Kishore Dutt Atluri
Ms. Abhilasha Atluri	Manager Investor Relations - Daughter of Mr.Ashok Atluri
Ms. Tara Dutt Atluri	Mother of Mr.Kishore Atluri and Mr.Ashok Atluri
Mr. Satish Atluri	Brother of Mr.Kishore Atluri and Mr.Ashok Atluri

40. RELATED PARTY TRANSACTIONS (Contd.)**A) Nature of relationship and names of related parties** (Contd.)

Name of the party	Nature of relationship
(d) Other related firms & associates	
Veer Sammaan Foundation	Founder Trustee
Zen Technologies Limited Employee Welfare Trust	Entity under the control of the Company
Bhairav Robotics Private Limited	Associate Company

B) Following are the transactions with related parties during the year:

Particulars	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
i) Purchases		
Unistring Tech Solutions Private Limited	15,132.14	2,670.64
ii) Capital Purchases		
Unistring Tech Solutions Private Limited	756.31	367.83
Aituring Technologies Private Limited	230.51	-
iii) Sales		
Unistring Tech Solutions Private Limited	-	1,299.89
Aituring Technologies Private Limited	16.00	-
iv) Remuneration to KMP		
Mr. Ashok Atluri	235.99	236.30
Mr. Kishore Dutt Atluri	215.98	200.19
Mr. M Ravi Kumar	74.07	74.47
Ms. Shilpa Choudari	59.85	39.50
Mr. Raghavendra Prasad Movva	11.37	18.18
Mr. Sourav Dhar	5.91	-
Mr. Afzal Harunbhai Malkani	102.50	64.78
V) Commission to KMP		
Mr. Ashok Atluri	1,055.97	553.24
Mr. Kishore Dutt Atluri	930.65	430.28
vi) Remuneration to relatives of KMP		
Mr. Arjun Dutt Atluri	26.40	23.98
Ms. Anisha Atluri	18.00	13.28
Ms. Abhilasha Atluri	11.51	-
vi) Transaction with other Related Firms	124.00	2.12
vii) Sitting Fee to Independent Directors		
Ms. Sirisha Chintapalli	2.50	1.50
Mr. Sanjay V Jesrani	5.00	1.00
Mr. Amreek Singh Sandhu	-	4.00
Dr. Ravindra Kumar Tyagi	5.00	4.00
Dr. Ajay Kumar Singh	-	-
viii) Rent		

40. RELATED PARTY TRANSACTIONS (Contd.)**B) Following are the transactions with related parties during the year:** (Contd.)

Particulars	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
Mrs. Ramadevi Atluri	7.39	7.04
ix) CSR Expenditure		
Veer Sammaan Foundation	76.85	40.50
x) Reimbursement of expenses		
Zen Defence Technologies L.L.C, UAE	-	2.11
xi) Investments		
Zen Defence Technologies L.L.C, UAE	-	33.66
Zen Technologies USA, INC	8,686.11	-

C) Balances with the related parties are summarised below:

Particulars	As at 31 Mar 2025	As at 31 Mar 2024
i) Related party receivables grouped under		
a) Other current assets		
Unistring Tech Solutions Private Limited (Advance to material suppliers(Creditors))	515.50	3,055.07
Mr. Arjun Dutt Atluri (Advances to Employees)	2.29	2.15
Ms. Anisha Atluri (Advances to Employees)	-	0.04
Zen Defence Technologies L.L.C, UAE	2.91	2.91
Unistring Tech Solutions Private Limited (Debtors)	-	1,532.57
Aituring Technologies Private Limited (Advance to material suppliers(Creditors))	449.27	264.13
b) Investments		
Zen Technologies USA Inc	10,120.78	1,434.67
Unistring Tech Solutions Private Limited	700.07	700.07
Zen Medical Technologies Private Limited	37.70	75.20
Zen Defence Technologies L.L.C, UAE	33.66	33.66
Aituring Technologies Private Limited	387.00	387.00
Applied Research International Private Limited	8,850.00	-
ARI Labs Private Limited	250.00	-
Bhairav Robotics Private Limited	399.96	-
Vector Technics Private Limited	1,069.89	-
ii) Related party payables grouped under:		
a) Other current financial liabilities		
Mr. Ashok Atluri	1,083.27	570.74
Mr. Kishore Dutt Atluri	917.15	447.78
Mr. M Ravi Kumar	-	6.05
Ms. Shilpa Choudari	4.03	4.92
Mr. Raghavendra Prasad Movva	-	1.68
Mr. Afzal Harunbhai Malkani	-	4.98

40. RELATED PARTY TRANSACTIONS (Contd.)**C) Balances with the related parties are summarised below:** (Contd.)

Particulars	As at 31 Mar 2025	As at 31 Mar 2024
Mr. Arjun Dutt Atluri	-	2.18
Ms. Anisha Atluri	-	1.48
Ms. Abhilasha Atluri	-	0.98

Key managerial personnel of the Company are covered by the Company's gratuity policy and eligible for compensated absences along with other employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to them have not been included in the aforementioned disclosure as these can not be determined on an individual basis.

The transactions with related parties are made on terms equivalent to similar arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured.

41. THE FOLLOWING DETAILS RELATING TO MICRO, SMALL AND MEDIUM ENTERPRISES SHALL BE DISCLOSED IN THE NOTES

Particulars	31 March 2025	31 March 2024
a) Principal amount outstanding (whether due or not) to micro and small enterprises.	835.22	1,846.66
b) Interest due thereon.	1.01	0.19
c) The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.01	0.19
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. This has been relied upon by the auditors.

42. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 108 "OPERATING SEGMENTS**Operating Segments**

The Company has identified 'Defence and Homeland', as its only primary reportable segment. The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

42. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 108 "OPERATING SEGMENTS" (Contd.)

Geographical Information

Revenue	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
Domestic	57,670.06	35,015.98
Overseas	35,396.66	8,011.54
Total revenue as per statement of profit or loss	93,066.72	43,027.51

The revenue information above is based on the locations of the customers.

Non-current assets

Particulars	31 March 2025	31 March 2024
India	11,313.10	9,034.01
Outside India	17.62	-
Total non-current assets	11,330.72	9,034.01

Non-current assets for this purpose excludes financial assets and deferred tax assets.

Information about major customers

There are three customers individually contributing more than 10% of Company's revenue and these customers contribute 63.77% of the revenue for the year ended on 31 March 2025. For the year ended 31 March 2024 there is one customer contributing 61.51% of the revenue for the year.

42. FINANCIAL INSTRUMENTS

A. Measurement of fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Company specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

B. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note no.	31 Mar 2025		31 Mar 2024		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial assets						
Trade receivables	10	37,839.62	-	16,914.87	-	-
Cash and cash equivalents	11	3,423.70	-	2,606.47	-	-
Other bank balances	12	80,496.33	-	11,613.16	-	-
Loans	6	0.80	-	2.91	-	-
Other financial assets	13	22,621.14	-	3,608.03	-	-
Total financial assets		1,44,381.59	-	34,745.45	-	-
Financial liabilities						
Borrowings	18 & 21	5,220.36	-	-	-	-
Lease liabilities	19A & 19C	212.73	-	113.20	-	-
Trade payables	22	1,180.37	-	2,615.48	-	-

42. FINANCIAL INSTRUMENTS (Contd.)**B. Accounting classifications and fair values** (Contd.)

Particulars	Note no.	31 Mar 2025		31 Mar 2024		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Other financial liabilities	19B	6,760.97	-	1,682.88	-	-
Total financial liabilities		13,374.43	-	4,411.55	-	-

The fair value of trade receivables, other financial assets, cash and cash equivalents, other bank balances, loans, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Investment in subsidiaries & associates have been accounted at historical cost. Since, these are scoped out of Ind AS 109 for the purpose of measurement, the same are not disclosed in the table above.

There have been no transfers among Level 1, Level 2 and Level 3 during the years ended 31 March 2025 and 31 March 2024.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's primary financial liabilities consist of borrowings, trade and other payables. These liabilities are primarily used to finance the Company's operations. The Company's principal financial assets include trade receivables, other receivables, investments, and cash and cash equivalents, all of which arise directly from its operating activities.

The Company has an integrated financial risk management system that proactively identifies and monitors key risks, while implementing precautionary and mitigatory measures to address them effectively.

The Company is exposed to market risk, credit risk, and liquidity risk. These risks are managed under the supervision of the Board of Directors, which independently evaluates and controls the overall financial risk management framework. The Board of Directors reviews and approves the risk management policies for each category of risk, as summarized below.

i) Market Risk

Market risk refers to the potential impact of fluctuations in market prices on the fair value or future cash flows of financial instruments. It encompasses interest rate risk, foreign currency risk and other price risks. Financial instruments subject to

market risk include trade receivables and other receivables, borrowings and trade payables. The Company's management is responsible for managing market risk through active oversight of cash positions, foreign currency risk mitigation strategies, borrowing arrangements, and adherence to internal market risk thresholds.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

1% changes in interest rate will increase/decrease the borrowing cost by Rs. 52.20 Lakhs (Pre Tax).

The Company holds deposits with banks and hence is exposed to interest rate sensitivity. 1% changes in interest rate will increase/decrease interest income by Rs. 1017.81 Lakhs (Pre Tax).

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows from an asset/liability will fluctuate because of changes in foreign exchange rates. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international geographics. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

Expenditure in foreign currency

Particulars	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Raw Materials and Components	2,100.61	2,578.60
Capital Goods	-	85.54
Foreign Travel	407.81	332.93
Membership	0.71	-
Professional Charges	12.10	10.89
Exhibition Expenses	129.72	145.32
Employee benefits expense	94.60	-
Others	388.37	34.88

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)**i) Market Risk** (Contd.)**b. Foreign currency risk** (Contd.)**Receivables/(Payables) in Foreign Currency** (Contd.)

Particulars	31 March 2025	31 March 2024
Advance from customers	(460.27)	(10,252.94)
Trade payables	(30.99)	(42.10)
Trade Receivables	24,973.75	754.82
Advance to Material suppliers	30.05	89.08

Exchange gain of Rs. 239.46 lakhs and Rs. 53.21 lakhs has been recognised in the standalone statement of profit and loss for the years ended 31 March 2025 and 31 March 2024 respectively.

ii) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from credit exposures from trade receivables, advances given to suppliers (for procurement of goods, services and capital goods), cash and cash equivalent with banks, security deposits and loans.

Trade Receivables and Other Receivables

The credit risk of the Company is managed at a corporate level by the risk management committee which has established the credit policy norms for its customers. The Company expects to continue to derive most of its revenue from the Indian Defence Services under the contracts of the Ministry of Defence (MoD), consequent to which the Company has a negligible credit risk associated with such receivables.

As the Company debtors are predominantly the Government of India (Indian Defence Services, Ministry of Home Affairs), Public Sector Undertakings where the counter-parties have sufficient capacity to meet the obligations, the risk of default is considered negligible. Accordingly, impairment on account of expected credit losses is being assessed on a case to case basis in respect of dues outstanding for significant period of time as per the accounting policy. Further, the management believes that the unimpaired amounts that are due is collectable in full, based on historical payment behaviour and extensive analysis of customer credit risk

In a few cases credit is extended to customers based on market conditions after assessing the solvency of the customer and the necessary due diligence to determine credit worthiness. Advance payments are made against bank guarantee which safeguards the credit risk associated with such payments.

Impairment losses on financial assets have been made after factoring contractual terms and other indicators.

Financial instruments and cash deposits

The cash and cash equivalent with banks are in the form of short term deposits with maturity period of up to 1 year. The Company has a well structured Risk Mitigation Policy whereby there are present limits for each bank based on its net worth and earning capacity which is reviewed on a periodic basis. The Company has not incurred any losses on account of default from banks on deposits.

Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of Directors.

The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Refer Note 10 for ageing for Trade Receivables.

iii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities/recovery of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely manner.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Carrying Value	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years
As at 31 March 2025						
Borrowings	5,220.36	-	300.00	900.00	4,020.36	-
Other financial liabilities	6,973.70	8.10	6,752.84	0.02	212.73	-
Trade payables	1,180.37	-	1,180.37	-	-	-

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)**iii) Liquidity Risk** (Contd.)

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date: (Contd.)

Particulars	Carrying Value	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years
As at 31 March 2024						
Borrowings	-	-	-	-	-	-
Other financial liabilities	1,796.07	6.45	1,539.97	136.45	113.20	-
Trade payables	2,615.48	-	2,615.48	-	-	-

44. CAPITAL MANAGEMENT

For the purposes of managing capital, the Company considers its equity share capital, securities premium, and other equity reserves attributable to shareholders as components of capital. The key objective of capital management is to enhance long-term shareholder value. The Company actively reviews and adjusts its capital structure in response to evolving economic conditions and compliance with financial covenants. This may involve modifying dividend payouts, returning capital to shareholders, or issuing additional equity. Capital adequacy is monitored through the gearing ratio, calculated as net debt divided by the sum of net debt and total equity. Net debt comprises interest-bearing borrowings, net of cash, cash equivalents, and bank balances.

Particulars	31 March 2025	31 March 2024
Gearing ratio:		
Borrowings (non-current and current, including current maturities of non-current borrowings, interest accrued and due, Interest accrued but not due)	5,220.36	-
Less: Cash and cash equivalents (including balances at bank other than cash and cash equivalents and margin money deposits with banks)	(1,03,930.87)	(16,499.89)
Net debt (A)	(98,710.51)	(16,499.89)
Equity (B)	1,68,898.58	45,312.65
Gearing ratio (%) $\{A/(A+B)\}^*$	-	-

Gearing ratio:

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio within 50%. In order to achieve this overall objective, the Company makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company aims to ensure that it meets the financial covenants attached to the interest bearing loans and borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current year.

* Net Gearing Ratio for 31 March 2025 and 31 March 2024 not calculated since net debt is negative.

* No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

45. EMPLOYEE STOCK OPTION SCHEME

The objective of the Employee Stock Option Scheme (ESOS) is to attract and retain talent and align the interest of employees with the Zen Technologies Limited as well as to motivate them to contribute to its growth and profitability. The Company adopts Senior Executive Plan in granting Stock options to its Senior Employees. (Employee Stock Option Plan-2021).

During the Annual General Meeting held on 28th August 2021, Zen Technologies Limited introduced the Employee Stock Option Plan-2021, which was subsequently ratified by the shareholders on 29th September 2022, in accordance with the earlier SEBI (Share Based Employee Benefits) Regulations, 2014. The plan received in-principle approval from the National Stock Exchange of India Limited and BSE Limited to issue a maximum of 4,000,000 equity shares with a face value of Rs. 1/- each, under the Zen Technologies Limited Employee Stock Option Plan-2021.

To facilitate the implementation of the ESOP scheme, the ESOS trust had purchased 4,81,524 shares from the secondary market, for allocation to eligible employees under the ESOS scheme. During the year ended 31 March 2024, ESOS trust borrowed funds of Rs. 5.75 Crores and utilised such funds to Purchase additional 1,59,876 shares from secondary Market.

As at 31 March 2025, the ESOP Trust purchased in aggregate 6,41,400 shares from secondary market at consideration of Rs. 1567.66 lakhs.

During the year ended 31 March 2024 the Nomination and Remuneration Committee had approved the grant of 22,500 Employee Stock Options (options) at an exercise price of Rs. 100 per option to eligible employees, as identified by the Committee. During the year ended 31 March 2025 the Nomination and Remuneration Committee had further granted 5,000 options on 4 May 2024 at an exercise price of Rs. 100

per option; 10,500 options on 28 July 2024 at an exercise price of Rs. 500 per option; 47,000 options on 14 February 2025 at an exercise price of Rs. 500 per option; and 1,37,000 options on 28 March 2025 at an exercise price of Rs. 500 per option.

In the standalone financial statements, the Company has adopted the policy of consolidating the ESOP Trust, the related loan and advances appearing in the standalone financial statements of the Company were eliminated and investment in own shares of the Company held by the trust is shown as treasury shares in "other equity".

b) The nature and extent of share-based payment arrangements that existed during the period.

Summary of options granted under plan:

Particulars	31 March 2025	31 March 2024
Options Outstanding at the beginning of the year	36,16,600	37,29,100
No. of Options Granted during the Year	1,99,500	22,500
No. of Options Exercised during the year	1,21,800	1,23,690
No. of Options Forfeited/Expired during the year	1,000	10,000
Options Outstanding at the ending of the year	35,18,100	36,16,600
Vested and Exercisable	20,910	1,18,710

The fair value of the share-based payment options granted is determined using the Black Scholes Model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

46. EXCEPTIONAL ITEMS

During the year ended 31 March 2022, the Company filed an insurance claim of Rs. 712.00 Lakhs to compensate for the loss of property, plant and equipment that were destroyed due to a fire at the Company's Demonstration Centre located at Maheshwaram Hardware Park near Shamshabad Airport on November 30, 2021. Out of the claim filed, the Company received an ad-hoc amount of Rs. 200.00 Lakhs during the year ended 31 March 2024. The total insurance claim was subsequently revised to a Rs. 656 lakhs based on the assessment by the Insurance Company. During the year ended 31 March 2024, the Company received an additional amount of Rs. 240.90 Lakhs as full and final settlement from the insurance Company.

The Company has recognised the expenditure incurred in the process of replacing the assets lost and renovation of building which is damaged and the same has been accounted as Property, Plant and Equipment.

Further, the Company has recognised the loss of Rs. 27.96 lakhs pertaining to loss of property, plant and equipment under exceptional items in the Statement of Profit and Loss during the year ended 31 March 2022,

During the year ended 31 March 2024, the Company has received an amount of Rs. 240.90/- Lakhs as full and final settlement against the insurance claim out of total revised claim of Rs. 656 Lakhs. The Company has received Rs. 440.90/- Lakhs as a total claim from the insurance Company.

47. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	31 March 2025	31 March 2024	% change	Reason for variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	9.52	2.26	321.62%	The current ratio improved primarily due to increase in cash and cash equivalents from QIP funds raised
Debt-Equity Ratio (in times)	Total Debt (Current borrowings and non current borrowings)	Shareholder's Equity	0.03	-	100.00%	The ratio has increased due to increase in borrowings.
Debt Service Coverage Ratio (in times)	Earning for Debt Service=Net Profit after taxes+Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest & Lease Payments + Principal Repayments	18.99	23.28	-18.41%	NA
Return on Equity Ratio (in %)	Profit for the year less preference dividend (if any)	Average Shareholder's Equity	24.55%	33.47%	-26.64%	The decrease is due to increase in equity from QIP issue

47. RATIO ANALYSIS AND ITS ELEMENTS (Contd.)

Ratio	Numerator	Denominator	31 March 2025	31 March 2024	% change	Reason for variance
Inventory turnover ratio (in times)	Cost of goods sold/ Sales	Average Inventory	4.93	1.70	190.57%	Increase in COGS which is commensurate with the increase in revenues during the year as resulted in higher inventory ratio
Trade Receivables turnover ratio (in times)	Revenue From Operations	Average Trade Receivable	3.40	3.66	-7.05%	NA
Trade payables turnover (in times)	Cost of material +Manufacturing Expenses+ Other expenses	Average Trade Payables	25.16	20.27	24.11%	NA
Net capital turnover ratio (in times)	Revenue From Operations	Working capital = Current assets – Current liabilities	0.77	1.34	-42.27%	Decrease in ratio is on account of increase in working capital.
Net profit ratio (in %)	Profit for the year	Revenue From Operations	28.25%	30.04%	-5.93%	NA
Return on Capital employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	20.78%	40.56%	-48.75%	The decrease is due to increase in equity from QIP issue
Return on Investment*	Income from Investment	Cost of Investment	NA	NA	NA	NA

*The Company does not have any market linked investments.

48. DIVIDEND PROPOSED AND PAID

Particulars	31 March 2025	31 March 2024
Final Dividend for the Financial Year 2022-23	-	166.81
Final Dividend for the Financial Year 2023-24*	898.28	-
	898.28	166.81

*Dividend declared on shares held by the ESOP trust which are accounted as treasury shares amounting to Rs. 4.63 lakhs are not recognised as distribution of dividend to shareholders and has been adjusted to other equity.

The Board of Directors at its meeting on 17 May 2025, recommended a final dividend of Rs. 2.00 per equity share for the year ended 31 March 2025. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) to be held in August 2025 and if approved, would result in a net cash outflow of approximately Rs. 1,805.81 Lakhs.

49. COMPULSORILY CONVERTIBLE DEBENTURES

On 25 November 2021, the Company has made a preferential allotment of 40,64,267, 10% compulsorily convertible debentures (CCD) having face value of Rs. 213/- each, for cash, at an aggregate consideration of Rs. 86,57,65,551. These CCDs shall be converted into equal number of equity shares of Rs. 1/- each at a premium of Rs. 212/- with in a period of 18 months from issue date.

The Company has accounted the compulsory convertible debentures in accordance with Ind AS 109, Financial Instruments, by considering these instruments as compound financial instruments, comprising of:

1) Interest payments by the Company is treated as a Financial liability - Borrowings (Note - 18 & 21). The financial liability measured as the net present value of the discounted cashflows of interest payments.

2) The holders of the CCDs have the option to convert them into equity shares of the Company, on or before 18 months from the issue date. In the event of the CCD holder not exercising the conversion option before expiry of the 18 months, each CCD will mandatorily convert into equity shares of the Company at a face value of Rs. 1 and at a premium of Rs. 212 per share on 24 May 2023. The Company has accounted for the conversion option in the CCD as equity and presented the same under "Other Equity" in Note 17. The carrying amount of the equity instrument is determined by deducting the fair value of the financial liability from the fair value of the CCDs.

The CCDs have been converted into equity shares of the Company on 24 May 2023 (Note 16) as per the terms of the issue.

50. RESEARCH & DEVELOPMENT EXPENSES

The Company has 2 locations where in its in which Research & Development (R&D) is conducted.

Unit - I: B-42 Industrial Estate, Sanath Nagar, Hyderabad - 500018

Unit - II: Signature Towers, Opposite Botanical Garden, Kondapur, Hyderabad - 500084

The R&D expenses for the year are provided below:

Particulars	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
Employee Benefits expense	1,789.46	1,080.14
Electricity Charges	31.27	28.90
Travelling expenses	30.38	40.57
Spares & Stores	669.55	733.29
Consultancy Fee	12.70	75.17
Depreciation	31.88	26.17
Rates & Taxes	0.05	0.06
Repairs & Maintenance	26.84	5.56
Others	34.84	54.33
R&D Expenses for Unit-I	2,626.97	2,044.18
Employee Benefits expense	652.20	513.90
Electricity Charges	12.54	10.02
Depreciation	-	85.70
Repairs & Maintenance	9.49	11.53
Others	-	-
R&D Expenses for Unit-II	674.23	621.16
R&D Expenses for Unit I & Unit II	3,301.20	2,665.34

50. RESEARCH & DEVELOPMENT EXPENSES (Contd.)

The following are the details of the assets related to R & D division.
Unit- 1, B-42, Sanath Nagar

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 01 April 2024	Additions	Sales/ Adjustments	As at 31 March 2025	As at 01 April 2024	Charge for the year	Sales/ Adjustments	As at 31 March 2025	As at 31 March 2024
Tangible Assets (A)	1,168.52	116.39	-	1,284.91	590.79	31.88	-	622.66	577.73
Land	51.50	-	-	51.50	-	-	-	-	51.50
Building - Sanathnagar	482.29	25.72	-	508.01	104.99	8.43	-	113.41	377.30
Shed -B42	5.12	-	-	5.12	0.81	0.09	-	0.89	4.31
Shed - CNC- B42	10.74	-	-	10.74	0.07	0.36	-	0.43	10.67
Computers	106.74	-	-	106.74	106.74	-	-	106.74	0.00
Plant and machinery	213.35	5.40	-	218.75	130.14	9.64	-	139.78	83.21
Office Equipment	85.56	85.27	-	170.83	84.78	1.43	-	86.21	0.78
Furniture & fixtures	149.02	-	-	149.02	106.16	10.88	-	117.05	42.86
Testing Equipment	64.20	-	-	64.20	57.10	1.05	-	58.15	7.10
INTANGIBLE (B)	907.82	-	-	907.82	907.82	-	-	907.82	0.00
Software	306.01	-	-	306.01	306.01	-	-	306.01	-
Software (RKT)	601.81	-	-	601.81	601.81	-	-	601.81	0.00
Total (A+B)	2,076.34	116.39	-	2,192.73	1,498.61	31.88	-	1,530.48	577.73

Unit-2, Signature Towers, Kondapur

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 01 April 2024	Additions	Sales/ Adjustments	As at 31 March 2025	As at 01 April 2024	Charge for the year	Sales/ Adjustments	As at 31 March 2025	As at 31 March 2024
Tangible Assets (A)	2,203.59	46.40	-	2,249.99	488.37	94.76	-	583.13	1,715.22
Land	199.15	-	-	199.15	-	-	-	-	199.15
Building	1,459.39	-	-	1,459.39	140.54	24.32	-	164.86	1,318.85
Computers	99.65	45.56	-	145.21	54.79	34.33	-	89.12	44.86
Office Equipment	105.70	0.75	-	106.45	99.10	2.13	-	101.23	6.60
Furniture & fixtures	339.70	0.09	-	339.79	193.94	33.98	-	227.92	145.76
R&D Total Assets	4,279.93	162.79	-	4,442.72	1,986.98	126.64	-	2,113.61	2,292.95

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

51. DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

Reimbursement of expenses to Subsidiary

Particulars	31 March 2025	31 March 2024
Zen Defence Technologies L.L.C, UAE		
Balance at the year end	2.91	2.91
Maximum amount outstanding at any time during the year	2.91	2.91

The advance given to others subsidiaries are in the nature of trade advances against orders for supply of goods & services and hence not require to disclose as per regulation 53 (f) read with para A of Schedule V of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

52. OTHER STATUTORY INFORMATION

- (i) The Company does not hold any Investment Property.
- (ii) The Company has not revalued its property, plant and equipment and intangible assets during the year.
- (iii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (iv) The Company has not been declared as wilful Defaulter by any bank or financial institution or other lender.
- (v) The Company do not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (vi) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (x) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (xi) The Company has borrowings and credit limits from banks and NBFCs, secured by hypothecation of inventories and by charge on book debts and other assets of the Company, and quarterly returns or statements of current assets filed by the Company are in agreement with books of accounts without any material discrepancies.

53. Previous year figures have been reclassified/regrouped to confirm to those of current year.

As per our report attached of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number: 010396S/S200084

For and on behalf of the Board of Directors of
Zen Technologies Limited

Murali Krishna Reddy Telluri
Partner
Membership Number: 223022

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M.Ravi Kumar
Whole Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

Sourav Dhar
Company Secretary
M.No. A63455

Place: Hyderabad
Date: 17 May 2025

Place: Hyderabad
Date: 17 May 2025

Independent Auditor's Report

TO THE MEMBERS OF ZEN TECHNOLOGIES LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of ZEN TECHNOLOGIES LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company, its subsidiaries together referred to as "the Group"), its associate and joint venture comprising of the consolidated Balance Sheet as at 31 March 2025, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries referred to in the Other Matters section below the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates, joint ventures as at 31 March 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group, its associate and its joint venture in accordance

with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate/consolidated financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matters	How our audit addressed the key audit matter
Revenue from operations (As described in Note 25 of the Consolidated Financial Statements)	
During the year, the Group's revenue from operations increased by 121.36%. Revenue is recognized when control of the underlying products has been transferred and the performance obligations have been satisfied. The terms of sales arrangements create complexity and require significant judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of revenue recognition on satisfaction of the performance obligations.	Our audit procedures included the following:
Due to the judgment involved in determining whether transfer of control of goods or services have occurred for the revenue recognized, this matter is considered as Key Audit Matter	a) We have evaluated the appropriateness of the Company's accounting policies for revenue recognition and assessed compliance with relevant accounting standards.
	b) We have reviewed the terms of significant sales arrangements to understand the timing of transfer of control, distinct performance obligations in these contracts and delivery specifications.
	c) We have assessed the design and operating effectiveness of key controls over revenue recognition processes, including controls over the timing of transfer of control and the satisfaction of performance obligations.
	d) We have performed substantive testing on a sample of revenue transactions by inspecting supporting documentation, such as contracts, invoices, and delivery notes, to verify the timing of revenue recognition.

Key Audit Matters	How our audit addressed the key audit matter
	e) Tested on sample basis whether revenue transactions near to the reporting data have been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation as per the terms of delivery specified in the contract. f) We have reviewed management's judgments and estimates in determining the transfer of control of goods or services for the satisfaction of performance obligations, including any contractual terms that could impact the timing of revenue recognition. g) We have tested on a sample basis Managements working for recognition and measurement of performance obligations and related variable considerations if any. h) We have evaluated the adequacy of disclosures provided under the revenue standard and assessed the completeness and mathematical accuracy to ensure they provide relevant information about the Company's revenue recognition policies and judgments.

Business Combination (As described in Note 51 of the Consolidated Financial Statements)

As at 31st March 2025, the parent has investments of Rs. 13,960.09 in Applied Research International Private Limited, ARI Labs Private Limited and Vector Technics Private Limited and in one associate, Bhairav Robotics Private Limited

The Group accounted for the acquisitions under the acquisition method of accounting for business combinations. Accordingly, the purchase price was allocated to the assets acquired (including investments in subsidiaries and associate) and liabilities assumed based on their fair values on their respective acquisition dates.

The determination of such fair values for the purpose of purchase price allocation was considered to be a key focus area of our audit as the fair valuation process involves judgments and estimates such as appropriateness of the valuation methodology applied and the discount rates applied to future Cashflows forecasts.

We tested the Design, Implementation and Operating effectiveness of controls over the purchase price allocation process.

We evaluated the appropriateness of the valuation methodologies for identified intangibles and reasonableness of the key valuation assumptions viz. discount rate/contributory asset charge, including testing the source information underlying the determination of the discount rate, testing the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rate selected by independent valuers and relied upon by the management.

We evaluated the competencies, capabilities and objectivity of the independent valuers engaged by the management for value analysis of tangible and intangible assets.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's reports thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take

necessary actions, as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group including its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the

Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group including its associate and joint venture are responsible for assessing the ability of the Group respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its associate and joint venture are responsible for overseeing the financial reporting process of the respective entities.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31 March 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements and other financial information, in respect of Subsidiaries, whose financial information are as follows:

Sl. No.	Name of the Company	Year ended 31-03-2025 (Rs. In Lakhs)
1.	Unistring Tech Solutions Pvt Ltd	
-	Total Assets	10,521.08
-	Revenue from Operations	2,063.91
-	Net profit/(Loss) (PAT)	3,943.93
-	Net Cash Inflow/ (Outflow)	607.90
2.	Zen Medical Technologies Pvt Ltd	
-	Total Assets	40.41
-	Revenue from Operations	-
-	Net profit/(Loss)(PAT)	(2.23)
-	Net Cash Inflow/ (Outflow)	(0.53)
3.	Zen Technologies Inc, USA	
-	Total Assets	8,992.48
-	Revenue from Operations	-
-	Net profit/(Loss) (PAT)	(434.71)
-	Net Cash Inflow/ (Outflow)	(40.82)
4.	Aituring Technologies Private Limited	
-	Total Assets	856.00
-	Revenue from Operations	5.78
-	Net profit/(Loss) (PAT)	(33.26)
-	Net Cash Inflow/ (Outflow)	(409.90)
5.	Applied Research International Private Limited	
-	Total Assets	11,318.51
-	Revenue from Operations	2,222.63
-	Net profit/(Loss) (PAT)	513.51
-	Net Cash Inflow/ (Outflow)	(82.95)
6.	ARI Labs Private Limited	
-	Total Assets	510.25
-	Revenue from Operations	1.53
-	Net profit/(Loss) (PAT)	1.86
-	Net Cash Inflow/ (Outflow)	(265.88)
7.	Vector Technics Private Limited	
-	Total Assets	585.81
-	Revenue from Operations	19.59
-	Net profit/(Loss) (PAT)	(14.59)
-	Net Cash Inflow/ (Outflow)	89.02

These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

The accompanying statement includes the unaudited financials of one subsidiary whose financial information includes details as follows:

Sl. No.	Name of the Company	Year ended 31-03-2025 (Rs. In Lakhs)
1	Zen Defence Technologies L.L.C, UAE	
-	Total Assets	30.12
-	Revenue from Operations	-
-	Net profit/(Loss)(PAT)	(2.65)
-	Net Cash Inflow/ (Outflow)	(2.65)

Two of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and one of them (Zen Technologies Inc, USA) have been audited by other auditor under generally accepted auditing standards applicable in their respective country and the other (Zen Defence Technologies L.L.C, UAE) during the current financial year for which audit is not mandated as per laws governing the country. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements and other financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement

of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors of the Holding Company as on 17 May 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and its associate company, none of the directors of the Group's companies or its associate, incorporated in India, is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report.
- g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the consideration of the reports of the other statutory auditors of the subsidiary companies incorporated in India which were not audited by us, the managerial remuneration for the year ended 31 March 2025 has been paid/provided by the Holding Company and such subsidiary companies and associate company to their respective directors is in accordance with the provisions of section 197 read with Schedule V to the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports

of the other auditors on separate/ consolidated financial statements of the subsidiaries as noted in the "Other Matters" paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group its associate and joint venture Refer Note 38(a) to the consolidated financial statements;
- ii. The Group, its associate and joint venture not required to recognise a provision as at March 31, 2025 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group, its associate and joint venture did not have any long-term derivative contracts as at March 31, 2025.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate company incorporated in India the year ended 31 March 2025.
- iv. (a) The respective managements of the Holding Company, its subsidiaries associate and Joint Venture incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in Note-50 to the financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or associate or Joint Venture to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective holding Company or any of such subsidiaries or associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective managements of the Holding Company, its subsidiaries associate and Joint Venture incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in Note-50 to the financial statements, no funds (which are material either individually or

in the aggregate) have been received by the respective Holding Company or any of such subsidiaries or associate or Joint Venture from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or associate or Joint Venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 47 to the consolidated financial statements, Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks, performed by the respective auditors of the subsidiaries and joint venture, which are companies incorporated in India whose financial statements have been audited under the Act, have used accounting software's for maintaining their respective books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's During the course of performing our procedures, we, and the respective auditors of such subsidiaries, did not notice any instance of the audit trail feature being tampered with.

Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Holding Company and such subsidiaries and associate as per the statutory requirements for record retention.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the Consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **RAMASAMY KOTESWARA RAO AND CO LLP**

Chartered Accountants

ICAI Firm Registration No.010396S/S200084

Place: Hyderabad

Date: 17 May 2025

Murali Krishna Reddy Telluri

Partner

Membership No. 223022

UDIN:25223022BMJKCP4504

Annexure 'A'

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Zen Technologies Limited of even date

Report on the Internal Financial Controls under Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to financial statements of ZEN TECHNOLOGIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries and associate, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiary companies and associate company, to whom reporting under clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated

financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and based on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2025, based on the criteria for internal financial control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: 17 May 2025

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to separate/consolidated financial statements insofar as it relates to six subsidiary companies, and one associate company which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of these matters.

For **RAMASAMY KOTESWARA RAO AND CO LLP**
Chartered Accountants
ICAI Firm Registration No.010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership No. 223022
UDIN:25223022BMJKCP4504

Consolidated Balance Sheet

As at 31 March 2025

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

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Sl. No.	Particulars	Notes	As at 31 Mar 2025	As at 31 Mar 2024
I	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	4A	10,642.97	8,067.37
	(b) Capital work-in-progress	4C	355.38	1,006.05
	(c) Right-of-use asset	4D	2,451.92	590.00
	(d) Goodwill	4E	7,018.06	301.70
	(e) Intangible assets	4B	704.00	378.89
	(f) Intangible assets under development	4F	370.29	82.29
	(g) Financial assets			
	(i) Investments	5	402.72	-
	(ii) Loans	6C	8.97	-
	(ii) Other Financial Assets	6A	21,746.13	2,656.00
	(h) Deferred Tax Assets (Net)	7	444.53	-
	(i) Other non-current assets	8	358.82	133.68
			44,503.79	13,215.98
(2)	Current assets			
	(a) Inventories	9	11,926.75	16,907.87
	(b) Financial assets			
	(i) Trade receivables	10	41,042.67	18,450.15
	(ii) Cash and cash equivalents	11	7,415.40	3,670.85
	(iii) Bank balances other than (ii) above	12	89,162.41	12,146.50
	(iv) Loans	13	243.03	79.94
	(v) Other financial assets	6B	4,194.74	999.08
	(c) Current Tax Assets (Net)	14	1,292.58	265.49
	(d) Other current assets	15	5,120.98	9,314.38
			1,60,398.57	61,834.27
	Total Assets		2,04,902.36	75,050.25
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	16	902.90	840.44
	(b) Other Equity	17	1,69,166.29	44,022.37
	Equity attributable to equity holders of the parent		1,70,069.19	44,862.81
	(c) Non-controlling interests	17	3,521.82	1,766.36
	Total Equity		1,73,591.01	46,629.17
	Liabilities			
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	4,020.36	-
	(ii) (a) Lease liabilities	19.1	1,717.42	413.53
	(b) Deferred Govt. Grant	19.2	15.00	15.00
	(b) Provisions	20	1,116.51	379.53
	(c) Deferred Tax Liability	7	-	622.37
	(d) Other Non-Current Liabilities		45.00	-
			6,914.29	1,430.43
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	21	1,394.81	61.50
	(ii) Lease Liabilities	19.1	637.77	128.35
	(iii) Trade payables	22		
	Dues to micro enterprises and small enterprises		1,089.12	2,102.42
	Dues to creditors other than micro and small enterprises		1,457.71	1,107.70
	(iv) Other Financial liabilities	19.2	10,981.13	2,033.39
	(b) Provisions	20	1,985.34	279.53
	(c) Other current liabilities	23	6,567.95	20,579.34
	(d) Current Tax Liabilities (Net)	24	283.22	698.43
			24,397.06	26,990.66
	Total Equity and Liabilities		2,04,902.36	75,050.25

Summary of Material Accounting Policies

3

The accompanying notes form an integral part of the consolidated financial statements

As per our report attached of even date

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

Firm Registration Number: 010396S/S200084

Murali Krishna Reddy Telluri

Partner

Membership Number: 223022

Ashok Atluri

Chairman & Managing Director

DIN: 00056050

Afzal Harunbhai Malkani

Chief Financial Officer

For and on behalf of the Board of Directors of

Zen Technologies Limited

M. Ravi Kumar

Whole Time Director

DIN: 00089921

Sourav Dhar

Company Secretary

M.No. A63455

Place: Hyderabad

Date: 17 May 2025

Place: Hyderabad

Date: 17 May 2025

Consolidated Statement of Profit and Loss

For the year ended 31 March 2025

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Sl. No.	Particulars	Notes	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
1	Income			
	Revenue from operations	25	97,364.16	43,985.20
	Other Income	26	5,838.55	1,492.26
	Total Income		1,03,202.71	45,477.46
2	Expenses			
	Cost of Materials and Components consumed	27	34,518.85	17,174.68
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	2,380.83	(5,372.80)
	Manufacturing expenses	29	1,573.16	1,066.69
	Employee benefits expense	30	8,875.58	5,907.18
	Finance Costs	31	1,037.56	228.13
	Depreciation and Amortization Expense	32	1,541.37	967.96
	Other expenses	33	12,663.36	7,131.14
	Total Expenses		62,590.71	27,102.97
3	Profit/(loss) before Share of Profit/(Loss) of Associates and Joint Venture, exceptional items and tax (1-2)		40,612.01	18,374.49
4	Share of Profit/(Loss) of Associates and Joint Venture		(4.62)	-
5	Profit/(Loss) before exceptional items & Tax (3+4)		40,607.39	18,374.49
6	Exceptional Items	46	-	240.90
7	Profit/(Loss) before tax (5+6)		40,607.39	18,615.39
8	Tax expense	35		
	(i) Current tax		11,170.59	3,664.93
	(ii) Tax relating to earlier years		22.69	(44.68)
	(iii) Deferred tax		(519.35)	2,044.70
	Total Tax expense		10,673.93	5,664.95
9	Profit for the year (7-8)		29,933.46	12,950.44
10	Other Comprehensive Income	34		
	Items that will not be reclassified to profit or loss		(117.48)	(41.37)
	Income tax relating to items that will not be reclassified to profit or loss		27.47	12.15
	Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(90.01)	(29.22)
	Items that will be reclassified to profit or loss		(223.93)	118.47
	Income tax relating to items that will be reclassified to profit or loss		57.33	(34.50)
	Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(166.61)	83.97
	Other Comprehensive Income for the year, net of tax		(256.62)	54.75
11	Total Comprehensive Income for the year (9+10)		29,676.84	13,005.19
	Profit/(loss) for the year is attributable to:			
	Equity holders of the parent		28,024.41	12,788.46
	Non-Controlling interests		1,909.05	161.98
	Other comprehensive income/(loss) is attributable to:			
	Equity holders of the parent		(252.19)	53.78
	Non-Controlling interests		(4.43)	0.97
	Total comprehensive income is attributable to:			
	Equity holders of the parent		27,772.22	12,842.25
	Non-Controlling interests		1,904.62	162.95
12	Earning per Share	36		
	(Face Value of Rs. 1/- Each)			
	Basic earnings per share (In Rs.)		32.07	15.45
	Diluted earnings per share (In Rs.)		32.07	15.34

Summary of Material Accounting Policies

3

The accompanying notes form an integral part of the consolidated financial statements

As per our report attached of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number: 010396S/S200084

For and on behalf of the Board of Directors of
Zen Technologies Limited

Murali Krishna Reddy Telluri
Partner
Membership Number: 223022

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M.Ravi Kumar
Whole Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

Sourav Dhar
Company Secretary
M.No.A63455

Place: Hyderabad
Date: 17 May 2025

Place: Hyderabad
Date: 17 May 2025

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
A. Cash Flows from Operating Activities		
Net profit before tax	40,607.39	18,615.39
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	1,541.36	970.14
Share of profit and Loss from Associate & Joint Venture	4.62	-
Profit on Sale of Property, Plant and Equipment	(0.20)	(0.42)
Provision for impairment of investments	-	138.35
Trade payables written back	-	(7.23)
Provision for impairment of investments	-	224.22
Provision for impairment of advances	252.84	-
Provision for Warranty	0.82	-
Expected Credit Loss allowance	165.22	352.34
Other non-cash items	582.17	14.68
Interest Income	(4,860.51)	(1,095.42)
Finance Cost	613.36	156.26
Interest on lease liability	72.76	4.97
Gratuity expense	80.17	57.07
Share based Payment Expenses	191.71	437.69
Foreign Exchange Fluctuation	(247.49)	(51.06)
Operating profit before working capital changes	39,004.22	19,816.98
Changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(17,482.76)	(7,738.24)
(Increase)/Decrease in Other financial assets	(1,883.18)	1,949.79
(Increase)/Decrease in Inventories	5,379.50	(12,007.91)
(Increase)/Decrease in Other Current Assets	7,895.98	(6,835.68)
(Increase)/Decrease in Other Non Current Assets	(17,794.62)	(93.15)
(Increase)/Decrease in Short Term Borrowings	(47.92)	-
Increase/(Decrease) in Trade Payables	(3,466.31)	100.00
Increase/(Decrease) in Other financial liabilities	1,850.00	(338.08)
Increase/(Decrease) in Other Current liabilities	(17,791.31)	10,208.02
Increase/(Decrease) in Other Non Current liabilities	45.00	-
Increase/(Decrease) in Provisions	1,319.14	(422.43)
Cash generated from/(used in) operating activities	(2,972.25)	4,639.30
Income tax paid	(11,654.87)	(3,297.57)
Net Cash from/(used in) operating activities (A)	(14,627.12)	1,341.73
B. Cash flows from Investing Activities		
Purchase of property, plant and equipment and CWIP	(3,230.45)	(2,979.09)
Proceeds from sale of Property, Plant and Equipment	1.06	0.47
Loan Repayment	(156.14)	-
Interest received	4,852.24	914.42
Capital Advances	-	(34.59)
Purchase of Investments	(212.53)	-
Acquisition of Subsidiary Net of cash	(6,333.08)	(387.00)
(Increase)/Decrease in Other Bank Balances	(77,223.73)	(6,037.98)
Payments of long term security deposits	(8.83)	-
Net Cash from/(used in) Investing Activities (B)	(82,311.46)	(8,523.77)
C. Cash flows from Financing Activities		
Increase in share capital	-	386.30
Proceeds/(Repayment) of Long term borrowings	4,430.22	(582.31)
Proceeds/(Repayment) of Short term borrowings	(4.97)	7.85
Proceeds from Issue of Shares	98,019.00	-
Purchase of Treasury shares by Zen technologies welfare trust	-	(477.09)
Proceeds from Issue of Employee Stock Options	121.81	-
Dividend paid	(898.27)	(166.81)
Finance costs paid	(505.91)	(229.81)
Amount received towards share warrants	-	750.24
Principal portion of the lease liability	(478.74)	(17.93)
Net Cash from/(used in) Financing Activities (C)	1,00,683.14	(329.55)
Net Increase in cash and cash equivalents (A+B+C)	3,744.55	(7,511.59)
Cash and Cash equivalents at the beginning of the year	3,670.85	11,182.44
Cash and Cash equivalents at the end of the year	7,415.40	3,670.85

Components of Cash and Cash equivalents

Particulars	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
Cash on hand	9.79	9.64
Balances with banks:		
- in current Accounts	5,906.36	1,960.92
- in Overdraft Accounts	-	199.26
- In Fixed Deposits with original maturity Less than 3 months	1,499.25	1,501.03

a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flows.

b) Cash and Cash equivalents include following for the Cash flow purpose

Particulars	For the year ended 31 Mar 2025	For the year ended 31 Mar 2024
Cash and Cash Equivalents as per Balance sheet	7,415.40	3,670.85
Less: OD/CC accounts forming part of Cash & Cash Equivalents	-	-
Cash and Cash Equivalents for the Cash flow statement	7,415.40	3,670.85

Summary of Material Accounting Policies - Refer Note 3.

The accompanying notes referred to above form an integral part of the consolidated financial statements

As per our report attached of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number: 010396S/S200084

For and on behalf of the Board of Directors of
Zen Technologies Limited

Murali Krishna Reddy Telluri
Partner
Membership Number: 223022

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M.Ravi Kumar
Whole Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

Sourav Dhar
Company Secretary
M.No. A63455

Place: Hyderabad
Date: 17 May 2025

Place: Hyderabad
Date: 17 May 2025

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

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(A) SHARE CAPITAL

	Number of shares	Amount (Rs.)
As at 01 April 2023	7,95,10,000	795.10
Issued during the year	45,34,260	45.34
Redeemed/transferred during the year	-	-
As at 31 March 2024	8,40,44,260	840.44
Issued during the year	62,46,096	62.46
Redeemed/transferred during the year	-	-
As at 31 March 2025	9,02,90,356	902.90

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

(B) OTHER EQUITY (NOTE 17)

Particulars	Reserves and Surplus					Equity Component of Compound Financial Instruments		Other Comprehensive Income		Equity attributable to the shareholders of the holding Company	Non-Controlling Interests	Total Equity	
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Share Warrants	Share based payment reserve	Treasury shares	Compulsory Convertible Debentures (CCD)	Re Measurements of Defined Benefit Plans				Foreign Currency Translation Reserve
Balances as at 1 April 2023	2,654.31	117.24	3,525.01	17,615.13	250.08	44.21	(966.13)	7,479.32	35.16	67.72	30,822.05	1,410.82	32,232.87
Profit for the Year	-	-	-	12,788.46	-	-	-	-	-	-	12,788.46	161.98	12,950.44
Amount received on account of allotment of share warrants	-	-	-	-	750.24	-	-	-	-	-	750.24	-	750.24
Issue of equity shares	8,434.29	-	-	-	-	(195.96)	-	-	-	-	8,238.33	-	8,238.33
Allotment of equity Shares pursuant to conversion of share warrants	-	-	-	-	(1,000.32)	-	-	-	-	-	(1,000.32)	-	(1,000.32)
Issue of Treasury Shares	-	-	-	-	-	-	177.87	-	-	-	177.87	-	177.87
Other Comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(29.22)	(39.52)	(68.74)	-	(68.74)
Dividend paid	-	-	-	(166.81)	-	-	-	-	-	-	(166.81)	-	(166.81)
Share based payment charge on account of options granted during the year	-	-	-	-	-	437.69	-	-	-	-	437.69	-	437.69
Purchase of treasury shares	-	-	-	-	-	-	(477.09)	-	-	-	(477.09)	-	(477.09)
Addition due to Business Combination	-	-	-	-	-	-	-	-	-	-	-	193.56	193.56
Refer Note : 51)	-	-	-	-	-	-	-	(7,479.32)	-	-	(7,479.32)	-	(7,479.32)
Equity component of Compulsorily Convertible Debentures (CCD) issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances as at 31 March 2024	11,088.60	117.24	3,525.01	30,236.79	-	285.94	(1,265.34)	-	5.94	28.20	44,022.37	1,766.36	45,788.73
Balances as at 1 April 2024	11,088.60	117.24	3,525.01	30,236.79	-	285.94	(1,265.34)	-	5.94	28.20	44,022.38	1,766.36	45,788.74
Profit for the Year	-	-	-	28,024.41	-	-	-	-	-	-	28,024.41	1,904.62	29,929.03
Amount received on account of allotment of share warrants	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of equity shares	97,956.54	-	-	-	-	-	-	-	-	-	97,956.54	-	97,956.54
Allotment of equity Shares pursuant to conversion of share warrants	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Treasury Shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(85.58)	(166.61)	(252.19)	-	(252.19)
Dividend paid	-	-	-	(898.27)	-	-	-	-	-	-	(898.27)	-	(898.27)
Share based payment charge on account of options granted during the year	-	-	-	-	-	15.73	-	-	-	-	15.73	-	15.73
(Purchase)/Issue of treasury shares by the trust during the year (net)	-	-	-	-	-	-	297.69	-	-	-	297.69	-	297.69
Addition due to Business Combination	-	-	-	-	-	-	-	-	-	-	-	(149.15)	(149.15)
Transfer on account of Exercise of Options	-	-	70.94	-	-	(70.94)	-	-	-	-	-	-	-
Equity component of Compulsorily Convertible Debentures (CCD) issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances as at 31 March 2025	1,09,045.14	117.24	3,595.94	57,362.93	-	230.73	(967.65)	-	(79.64)	(138.41)	1,69,166.29	3,521.83	1,72,688.11

Summary of Material Accounting Policies
The accompanying notes form an integral part of the standalone financial statements

As per our report attached of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number: 010396S/S200084
Murali Krishna Reddy Teluri
Partner
Membership Number: 223022

For and on behalf of the Board of Directors of
Zen Technologies Limited

M.Ravi Kumar
Whole Time Director
DIN: 00089921

Sourav Dhar
Company Secretary
M.No.A63455

Place: Hyderabad
Date: 17 May 2025

Ashok Atluri
Chairman & Managing Director
DIN: 00056050
Atzal Harunbhai Malkani
Chief Financial Officer

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

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1. CORPORATE INFORMATION

The consolidated financial statements (CFS) comprise of the financial statements of Zen Technologies Limited (the Holding Company) and its subsidiaries and associate companies (collectively, the Group) for the year ended 31 March 2025.

The Holding Company is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having corporate office at B-42, Industrial Estate, Sanathnagar, Hyderabad-500018, Telangana, India. The Equity Shares of the Holding Company are listed on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) in India.

The Group is primarily engaged in the design, development and manufacture of Training Simulators and Anti Drone Systems for Para-military Forces, Armed Forces, Naval Forces, Security Forces, Police and Government Departments like Transport, Mining, Marine and Infrastructure. The group caters to both domestic and international market. Information on the Group's structure is provided in Note 2(i).

The consolidated financial statements for the year ended 31 March 2025, were approved by the Board of Directors and authorised for issue on 17 May 2025.

2. BASIS OF PREPARATION AND MEASUREMENT

(i) Statement of compliance & basis for preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013, (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the consolidated financial statements and other relevant provisions of the Act.

The consolidated financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e, existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Details of group companies included in Consolidated Financial Statements are as under:

Subsidiaries	Country	% Equity Interest	
		31 March 2025	31 March 2024
Indian Subsidiaries			
Unistring Tech Solutions Private Limited	India	51.00%	51.00%
Zen Medical Technologies Pvt Ltd	India	100.00%	100.00%
Aituring Technologies Private Limited	India	51.00%	51.00%
Applied Research International Private Limited	India	100.00%	-
ARI Labs Private Limited	India	100.00%	-
Vector Technics Private Limited	India	51.00%	-
Overseas subsidiary			
Zen Technologies USA, INC	USA	100.00%	100.00%
Zen Defence Technologies L.L.C, UAE	UAE	99.00%	99.00%
Overseas step-down subsidiaries			
Applied Research International USA Inc.	USA	100.00%	-
Applied Research International (UK) Ltd	UK	100.00%	-
ARI (Applied Research International) Pte. Ltd.	Singapore	100.00%	-
Joint -Ventures			
KIC Solutions Co., Ltd	South Korea	50.00%	-
Associates			
Bhairav Robotics Private Limited	India	45.33%	

(ii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Holding Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest Lakhs unless otherwise stated.

(iii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities:** Measured at fair value
- Net defined benefit (asset)/liability:** Fair value of plan assets less present value of defined benefit obligations
- Borrowings:** Amortised cost using effective interest rate method

(iv) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and reported amounts of revenues and expenses during the period and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statement. Accounting estimates could change from period to period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed by the Management on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- **Note 3(B):** lease classification.
- **Note 3(B):** leases: whether an arrangement contains a lease and lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- **Note 3(M):** measurement of defined benefit obligations: key actuarial assumptions;
- **Note 3(O):** recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Note 3(H):** impairment of financial assets;
- **Note 3(N):** Recoverability/recognition of deferred tax assets;
- **Note 3(D):** determining an asset's expected useful life and the expected residual value at the end of its life.

(v) Measurement of fair values

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- **Note 42:** Financial instruments

(vi) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

Assets

An asset is classified as a current when it is:

- it is expected to be realised in, or is intended for sale or consumption in normal operating cycle;
- it is expected to be realised within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current.

Liabilities

A liability is classified as a current when:

- it expects to settle the liability in its normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- there is no unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- a) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.
- b) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- c) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102, Share-based Payments, at the acquisition date.
- d) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

- e) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

B. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessor

Leases for which the Group is a lessor are classified as a finance or operating lease. When ever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases are recognised on straight line basis over the term of relevant lease.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Right of use asset

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs

incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease Liability

The Group measures the lease liability at present value of the future lease payments at the commencement date of the lease. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of consolidated statement of profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of consolidated statement of profit or loss.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

C. Financial instruments

A financial instrument is any contract that gives rise to a Financial Asset of one entity and Financial Liability or Equity instrument of another entity.

Financial assets

i) Initial Recognition and measurement

The Group recognises a financial asset or a financial liability in its balance sheet when, and only when, it becomes party to the contractual provisions of the instrument. Financial assets are classified, at initial recognition, as measured at:

- Amortised Cost
- Fair Value through Other Comprehensive Income (FVTOCI), or
- Fair Value through Profit or Loss (FVTPL)

The classification of financial assets at initial recognition depends on:

- (a) The Group's business model for managing the financial assets, and
- (b) The contractual cash flow characteristics of the financial asset.

Except for trade receivables that do not contain a significant financing component, financial assets are initially measured at fair value, plus, in the case of financial assets not at FVTPL, transaction costs directly attributable to their acquisition. Trade receivables are initially recognised at the transaction price as determined in accordance with the Group's revenue recognition policy (refer 3(l) – Revenue from Contracts with Customers).

ii) Classification and subsequent measurement

The subsequent measurement of financial assets depends on their classification, as follows:

(i) Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if both of the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less any impairment loss. Interest income and impairment are recognised in profit or loss.

(ii) Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI) – Debt Instruments

Financial assets are classified at FVTOCI when they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the SPPI test is met.

Subsequent to initial recognition, these financial assets are measured at fair value, with changes in fair value recognised in other comprehensive income (OCI). Upon derecognition, the cumulative gain or loss recognised in OCI is reclassified to profit or loss.

(iii) Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI) – Equity Instruments

For equity investments not held for trading, the Group may make an irrevocable election at initial recognition to present changes in fair value in OCI. This election is made on an instrument-by-instrument basis.

Subsequent changes in fair value are recognised in OCI. Unlike debt instruments, there is no recycling of cumulative gains or losses to profit or loss on derecognition. Dividends from such

investments are recognised in profit or loss when the right to receive payment is established, provided they represent a return on investment and not a recovery of cost.

(iv) Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial assets are classified as FVTPL if they:

- (a) Do not meet the criteria for amortised cost or FVTOCI; or
- (b) Are designated at FVTPL at initial recognition to eliminate an accounting mismatch.

Subsequent changes in fair value are recognised in profit or loss.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except when the Group changes its business model for managing the assets. Any such reclassification is applied prospectively from the reclassification date; prior periods are not restated.

SPPI Test

The SPPI test is performed at the instrument level to determine whether the contractual cash flows represent solely payments of principal and interest. For this purpose, "interest" is defined as consideration for the time value of money, credit risk, and other basic lending risks and costs, along with a profit margin.

Business Model Assessment

The Group's business model refers to how financial assets are managed to generate cash flows—whether through collecting contractual cash flows, selling financial assets, or both. This assessment is determined at a portfolio level and reflects how groups of financial assets are collectively managed to achieve a specific business objective.

iii) De-recognition

A financial asset is derecognised when:

- (a) The contractual rights to receive the cash flows from the asset have expired, or
- (b) The Group has transferred its contractual rights to receive the cash flows from the asset, and either:
 - (i) it has transferred substantially all the risks and rewards of ownership of the asset; or
 - (ii) it has neither transferred nor retained substantially all the risks and rewards of ownership, but has relinquished control of the asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the asset continues to be recognised on the balance sheet.

Where the Group neither transfers nor retains substantially all the risks and rewards of ownership but retains control of the transferred asset, the asset is recognised to the extent of the Group's continuing involvement.

Financial Liabilities

i) Initial Recognition and measurement

Financial liabilities are classified at initial recognition as:

- Financial liabilities at fair value through profit or loss (FVTPL),
- Financial liabilities measured at amortised cost (e.g., loans and borrowings, trade and other payables), or
- Derivatives designated as hedging instruments in an effective hedge, where applicable.

All financial liabilities are initially recognised at fair value. In the case of financial liabilities measured at amortised cost, initial recognition includes transaction costs that are directly attributable to the issue. The Group's financial liabilities primarily include trade and other payables, loans and borrowings, including bank overdrafts.

ii) Subsequent measurement:

Subsequent to initial recognition, financial liabilities are measured as follows:

(a) Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

This category includes:

- Financial liabilities held for trading (e.g., derivatives not designated as hedging instruments); and
- Financial liabilities designated as FVTPL at initial recognition to eliminate or significantly reduce an accounting mismatch.

Gains and losses on financial liabilities held for trading are recognised in the consolidated statement of profit and loss. For designated liabilities, changes in fair value attributable to the Group's own credit risk are recognised in OCI. These amounts are not subsequently reclassified to profit or loss. All other changes in fair value are recognised in profit or loss. The Group has not designated any financial liability as measured at FVTPL.

(b) Financial Liabilities at Amortised Cost

This category includes interest-bearing loans and borrowings that are subsequently measured using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss upon derecognition or through the amortisation process. Amortised cost is calculated by considering any premium or discount on acquisition and fees or costs that are an integral part of the EIR. The amortisation is recognised under finance costs in the statement of profit and loss.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is accounted for as a derecognition of the original liability and recognition of a new one. The difference in the carrying amounts is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and

legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v) Compulsorily Convertible Debentures

Compulsorily Convertible Debentures are separated into liability and equity components based on the terms of the instrument in accordance with Ind AS 32. At initial recognition:

- The liability component is measured at the fair value of a comparable instrument without a conversion option and classified as a financial liability measured at amortised cost.
- The residual amount is allocated to the equity component and recognised in equity, provided it meets the "fixed-for-fixed" conversion criterion.

Transaction costs are allocated to liability and equity components in proportion to their respective initial carrying amounts. The conversion option is not remeasured subsequently.

vi) Reclassification of financial Instruments

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Group reclassifies financial assets, it applies the reclassification prospectively.

D. Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes:

- Purchase price (net of trade discounts and rebates),
- Import duties and non-refundable taxes,
- Directly attributable costs necessary to bring the asset to its intended working condition for its intended use, and
- Estimated costs of dismantling, removing the item, and restoring the site, where an obligation exists (measured at present value in accordance with Ind AS 37).

Freehold land is not depreciated and is carried at historical cost. Where significant components of an item of property, plant and equipment have different useful lives, they are accounted for separately. If an item of PPE is acquired on deferred credit terms (i.e. with a significant financing benefit), it is recognised at its cash price equivalent. The difference between the total payment and cash price is recognised as interest over the deferred period.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. All other repairs and maintenance are charged to profit or loss as incurred. If a component accounted for separately is replaced, the carrying amount of the replaced component is derecognised.

iii) Depreciation

Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets. The useful lives are determined in accordance with the manner prescribed under Schedule II to the Companies Act, 2013. Depreciation is charged from the date the asset is available for use and is calculated on a pro-rata basis for assets acquired or disposed of during the year.

The Group, based on technical evaluation and management judgement, has determined useful lives for certain assets that are different from those prescribed in Schedule II. These useful lives reflect the period over which the assets are expected to be used and are reviewed at least annually. Depreciation is not provided on freehold land.

Depreciation on buildings constructed on leasehold land is charged over the shorter of the lease term or the estimated useful life of the building. For leasehold improvements, depreciation is charged over the shorter of the useful life, typically 10 years, or the lease term including expected renewals.

Asset category	Useful life as per Schedule II	Management estimate of useful life
Buildings (Other than Factory buildings)	60 years	60 years
Factory Buildings	30 years	30 years
Plant and equipment	15 years	10-15 years
Furniture and fixtures	10 years	10 years
Motor Vehicles	10 years	10 years
Testing equipment's	10 years	5-10 years
Office equipment's	5 years	5 years
Demo Equipment	5 years	5 years
Computers		
- Servers and networks	6 years	6 years
- End user devices such as laptops, etc.	3 years	3 -5 years

iv) Capital Work in Progress (CWIP) and Capital advances

Capital Work-in-Progress includes tangible assets that are under construction or development and are not yet ready for their intended use at the balance sheet date. These include expenditure incurred on assets that are in the course of construction, installation, testing, or commissioning. CWIP is carried at cost, which comprises:

- directly attributable acquisition and construction costs,
- borrowing costs eligible for capitalisation under Ind AS 23, and
- other expenses directly attributable to bringing the asset to its intended use.

No depreciation is charged on such assets until they are available for use. Once the asset is ready for its intended use, the accumulated cost is transferred to the appropriate category of property, plant and equipment and depreciation commences from the date the asset is available for use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. "

v) Impairment of assets

The Group assesses at each reporting date whether there is any indication that an asset, or a group of assets (cash-generating unit), may be impaired in accordance with Ind AS 36. If such

indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of:

- Fair value less costs of disposal, and
- Value in use (present value of future expected cash flows).

Impairment losses are recognised in the Profit and Loss Account. Reversal of impairment losses is recognised only if there has been a change in the estimates used to determine the recoverable amount.

vi) Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Profit and Loss Account in the period of derecognition. The gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the asset.

E. Intangible assets

i) Recognition and measurement

Intangible assets are recognised only if:

- it is probable that the expected future economic benefits attributable to the asset will flow to the Group, and
- the cost of the asset can be measured reliably.

Intangible assets that are acquired separately are initially measured at cost. The cost comprises the purchase price and any directly attributable cost of preparing the asset for its intended use. Internally generated intangible assets, including research costs, are expensed as incurred, except for development costs which are capitalised if the recognition criteria under Ind AS 38 are met.

ii) Subsequent measurement

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it enhances the future economic benefits embodied in the specific asset. All other expenditure is expensed as incurred.

iii) Amortisation

Amortisation of intangible assets is recognised in the statement of consolidated Profit and Loss Account on a straight-line basis over the asset's estimated useful life. The method and useful life are reviewed at each financial year-end and adjusted if necessary.

The estimated useful lives are as follows:

- Software - 3 years

Amortisation begins when the asset is available for use and continues until the asset is derecognised or fully amortised, whichever is earlier.

iv) Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is recognised in the Profit and Loss account in the period the asset is derecognised.

F. Capital work in progress

Capital work-in-progress is recognized at cost, net of accumulated impairment loss, if any. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

Depreciation is not recorded on capital work -in-progress until construction and installation are complete and the asset is ready for its intended use by the management.

G. Inventories

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods and are measured at the lower of cost or net realizable value. However raw materials which are used in the process of production are not written down below the cost if the finished goods produced from consumption of such material are sold at or above the cost.

The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

H. Impairment of assets

i) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, including trade receivables, in accordance with Ind AS 109 – Financial Instruments. At each reporting date, the Group assesses whether a financial asset is credit-impaired, which is defined as a situation where one or more events have a detrimental impact on the estimated future cash flows of the asset.

Objective evidence of credit impairment includes:

- significant financial difficulty of the borrower or issuer,
- breach of contract (e.g., default or delay in payments),
- high probability of bankruptcy or financial reorganisation of the borrower,
- disappearance of an active market due to financial distress.

ECL measurement

The Group measures expected credit losses (ECLs) on financial assets based on the extent of credit risk at the reporting date. For trade receivables, the Group always recognises loss allowances based on lifetime expected credit losses. This approach does not require tracking changes in credit risk after initial recognition. For other financial assets measured at amortised cost, the Group assesses credit risk at each reporting date and recognises loss allowances based on either:

- 12-month expected credit losses, if there has not been a significant increase in credit risk since initial recognition, or
- Lifetime expected credit losses, if credit risk has increased significantly or if the asset is credit-impaired.

The Group evaluates whether credit risk has increased significantly using reasonable and supportable information, including forward-looking indicators, historic loss patterns, and internal risk ratings

Measurement of expected credit losses

ECLs are probability-weighted estimates of credit losses, calculated as the present value of expected shortfalls between contractual cash flows and those the Group expects to receive.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Presentation in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

ii) Impairment of Property, Plant and Equipment, Intangible assets, Goodwill and Right-of-use assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including provision on inventories, are recognised in the consolidated statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income for such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

I. Revenue from contracts with customers

Revenue from contracts with customers is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. Control is transferred when the customer has the ability to direct the use of and obtain substantially all of the benefits from the good or service.

Revenue from sale of products

Revenue from the sale of products is recognised at a point in time when control of the goods is transferred to the customer, which typically occurs upon delivery in accordance with the terms of the contract. Indicators of transfer of control include:

- the Group has transferred the physical possession of the product
- the customer has a legal title to the product
- the customer has accepted the product
- when the Group has a present right to payment for the product
- the significant risks and rewards of ownership of the product has been transferred to the customer.

Revenue is measured at the transaction price, which is the amount of consideration the Group expects to be entitled to in exchange for transfer of goods or services.

Multiple performance obligations

In case where the contracts involve multiple performance obligations, the Group allocates the transaction price to each performance obligation on the relative stand-alone selling price basis. In case of a contract, where separate fee for Annual Maintenance Contracts (AMC) or any other separately identifiable component is not stipulated, the Group applies the recognition criteria to separately identifiable components (sale of goods and AMC, etc.) of the transaction and allocates the revenue to those separate components based on stand-alone selling price.

In cases where the AMC or any other separately identifiable component is stipulated and price for the same agreed separately, the Group applies the recognition criteria to separately identified components (sale of goods and installation and commissioning, etc.) of the transaction and allocates the revenue to those separate components based on their stand-alone selling price.

If the stand-alone selling price is not available the Group estimates the stand alone selling price.

Revenue from rendering of services

As outlined above, in cases where contracts include multiple performance obligations, such as the sale of goods and Annual Maintenance Contracts (AMC), the transaction price is allocated to each component based on their relative stand-alone selling prices.

Revenue attributable to AMC services is recognised over time, as the customer simultaneously receives and consumes the benefits of the service throughout the contract period. The Group applies the output method to measure progress towards complete satisfaction of the performance obligation, as the passage of time provides a reliable basis for depicting the transfer of services to the customer.

Contract Balances

Contract Asset:

In a contract, if the entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, it shall be presented as a contract asset, excluding any amounts presented as receivable. A contract asset is an entity's right to consideration in exchange for goods and services that the entity has transferred to the customer.

A contract asset is initially recognised for revenue earned from AMC services because the receipt of consideration is conditional on successful completion of remaining period of service. Upon completion of the AMC service period and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment. Refer accounting policies on impairment of financial assets in Note 3(H).

Contract Liability:

If a customer pays consideration, or an entity has a right to an amount of consideration that is unconditional (i.e. a receivable), before the entity transfers a good or service to the customer, it shall be presented as a contract liability when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the group performs the contract (i.e. transfers control of the related goods or services to the customer).

Measurement of Trade Receivables

Trade receivables arising from such contracts are recognised at the transaction price as determined above, consistent with the Group's accounting policy on financial assets (Refer Note 3(C)-Financial Instruments).

J. Recognition of Other income

i) Interest income

Interest Income mainly comprises of interest on Margin money deposit relating to bank guarantee, Deposits against Bank Overdraft with banks and other fixed deposits.. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee and Over draft are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time proportion method, based on rates implicit in the transactions

ii) Export Incentives

The Group receives export incentives which do not fall under the scope of Ind AS 115 and are accounted for in accordance with the provisions of Ind AS 20 considering such incentives as Government Assistance. Accordingly government grant relating to Income is recognised on accrual basis when the relevant expense has been charged to consolidated statement of Profit and Loss.

K. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

L. Foreign Currency Transactions and Translation

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date (closing rate). Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the consolidated statement of profit and loss in the period in which they arise.

The assets and liabilities of the foreign branch are translated into functional currency at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average exchange rates. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

In case of an asset, expense or income where a monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss.

Any goodwill arising in the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/acquisitions, which occurred before the date of transition to Ind AS (1 April 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

M. Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(v) Other long-term employee benefits

The Group's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the consolidated statement of profit and loss in the period in which they arise.

(vi) Employee Share Based Payments

Equity Settled Transactions

The Group provides share-based payment benefits to employees through stock option plans governed by employee stock option schemes.

Equity-settled share-based payments are accounted for in accordance with Ind AS 102 – Share-Based Payment. The fair value of stock options granted is determined on the grant date using an appropriate option pricing model (such as the Black-Scholes model) and is recognised as an employee benefit expense in the consolidated statement of profit and loss over the vesting period, with a corresponding credit to Share-Based Payment Reserve under equity.

The expense is recognised based on the Group's estimate of the number of equity instruments that will ultimately vest. This estimate is revised at each reporting date, and any impact of the revision is recognised in the consolidated statement of profit and loss, with a corresponding adjustment to equity.

If the terms of an equity-settled award are modified, the incremental fair value, if any, is recognised over the remaining vesting period. In case of forfeiture (i.e., if the employee leaves before vesting), the cumulative expense recognised is reversed in the consolidated statement of profit and loss. If the options lapse or expire unexercised after vesting, the corresponding balance in Share-Based Payment Reserve is transferred within equity (e.g., to Retained Earnings or General Reserve).

ESOP Trust and Treasury Shares

The Group has formed an Employee Welfare Trust (EWT) for providing share-based payment to its employees. The Group uses EWT as a vehicle for distributing shares to employees under the Employee Stock Option Plan-2021. The EWT purchase shares of the Holding Company from the secondary market, for giving shares to employees. The Group treats EWT as its extension and shares held by EWT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised on the purchase, sale, issue, or cancellation of the Group's own equity instruments. Share options whenever exercised, would be settled from such treasury shares. Any difference between the carrying amount and the consideration, if reissued/sold, is recognised in other equity (General Reserve).

N. Income Taxes

Taxes comprises Current Tax, Deferred tax and MAT credit. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income. The Group recognises interest levied and penalties relating to income tax assessments in interest expenses.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised for deductible temporary differences, the carry forwards of unused tax credits and unused

tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(iii) Minimum Alternate Tax (MAT) Credit

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. The Group reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

O. Provision, contingent liabilities and contingent assets

Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are not recognised in financial statement. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Contingent Liabilities/Assets to the extent the Management is aware, are disclosed by way of notes to the consolidated financial statements.

P. Government Grants

Grants & Subsidies received from the Governments are recognised only when there is reasonable assurance that:

- The Group will comply with the conditions attached to the grant
- There is a reasonable certainty that the grant will be received.

Government grants related to assets are treated as deferred income and are recognized in net profit in the consolidated statement of profit and loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the consolidated statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognized and measured at fair value and the Government grant is measured as the difference between the fair value of the loan and the proceeds received. It is recognized as deferred income and released to consolidated statement of profit and loss in proportionate over the loan tenure and presented within other income. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Q. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period excluding the treasury shares in accordance with Ind AS 33, Earnings Per Share.

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per

share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

R. Statement of cash flow

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

S. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts and Cash Credit that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Whereas they are classified as borrowings under current liabilities in the balance sheet.

T. Research and Development Costs (Product Development)

Research expenditure is recognized as an expense when it is incurred. Development expenditure on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the product.
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

U. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

V. Treasury Shares

The Group has formed an Employee Welfare Trust (EWT) for providing share-based payment to its employees. The Group uses EWT as a vehicle for distributing shares to employees under the Employee Stock Option Plan-2021. The EWT purchase shares of the Holding Group from the secondary market, for giving shares to employees. The Group treats EWT as its extension and shares held by EWT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised on the purchase, sale, issue, or cancellation of the Group's own equity instruments. Share options whenever exercised, would be settled from such treasury shares. Any difference between the carrying amount and the consideration, if reissued/sold, is recognised in other equity (General Reserve).

X. Cash Dividend to Equity Holders

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised

when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

Y. Errors and Estimates

The Group revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the consolidated financial statements. Changes in accounting policies are applied retrospectively, unless it is impracticable to apply.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of profit and loss is applied prospectively in the period(s) of change.

Z. Recent pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to Consolidated Financials Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

4A. PROPERTY PLANT AND EQUIPMENT

Particulars	Land	Building	Computers	Plant & Machinery	Office Equipment	Testing Equipment	Shed	Demo Equipment	Furniture & Fixtures	Vehicles	Total
Cost											
As at 01 April 2023	648.95	5,564.31	763.31	350.68	701.07	418.93	-	1,101.48	676.53	369.99	10,595.27
Additions during the year	-	335.30	374.09	317.06	35.15	590.41	10.74	322.97	69.77	23.24	2,078.74
Deletions/adjustments	-	-	-	-	-	-	-	(38.55)	-	(15.71)	(54.26)
As at 31 March 2024	648.95	5,899.61	1,137.41	667.75	736.22	1,009.34	10.74	1,385.91	746.31	377.52	12,619.75
Asset acquired of subsidiary	-	-	152.14	128.03	414.26	-	-	57.20	154.71	42.00	948.33
Additions during the year	-	1,635.11	292.77	546.27	174.08	6.75	-	584.24	41.96	129.59	3,410.77
Deletions/adjustments	-	-	-	(74.40)	(0.93)	-	-	-	-	(27.69)	(103.02)
As at 31 March 2025	648.95	7,534.72	1,582.32	1,267.64	1,323.63	1,016.09	10.74	2,027.34	942.97	521.43	16,875.84
Accumulated Depreciation											
As at 01 April 2023	-	1,308.67	575.94	221.83	575.17	105.59	-	369.82	376.76	262.76	3,796.55
For the Year	-	135.32	159.43	25.80	39.11	110.57	0.07	221.22	57.74	30.06	779.31
Deletions/adjustments	-	-	-	-	-	-	-	(7.82)	-	(15.66)	(23.48)
As at 31 March 2024	-	1,443.99	735.37	247.63	614.28	216.16	0.07	583.22	434.50	277.16	4,552.37
Accumulated depreciation of Subsidiary acquired during the year	-	-	116.68	27.85	242.53	-	-	39.32	90.08	39.32	555.76
For the Year	-	162.60	279.00	62.28	91.05	181.10	0.36	245.91	83.78	29.58	1,135.66
Deletions/adjustments	-	-	-	(2.56)	(0.03)	-	-	-	-	(8.33)	(10.93)
As at 31 March 2025	-	1,606.60	1,131.05	335.19	947.83	397.26	0.43	868.45	608.35	337.72	6,232.86
Carrying Value											
As at 31 March 2024	648.95	4,455.62	402.04	420.12	121.95	793.18	10.67	802.69	311.80	100.36	8,067.38
As at 31 March 2025	648.95	5,928.12	451.26	932.45	375.81	618.83	10.31	1,158.89	334.62	183.70	10,642.97

4B. INTANGIBLE ASSETS

Particulars	Computer Software	Other Intangible Assets	Total
Cost			
As at 01 April 2023	1,071.16	696.02	1,767.18
Additions during the year	12.75	-	12.75
Deletions/adjustments	-	-	-
As at 31 March 2024	1,083.91	696.02	1,779.93
Acquired thorough Subsidiaries	396.49	-	396.49
Additions during the year	267.96	-	267.96
Deletions/adjustments	-	-	-
As at 31 March 2025	1,748.36	696.02	2,444.38
Accumulated Amortization			
As at 01 April 2023	1,048.63	271.35	1,319.98
For the Year	11.26	69.79	81.06
Deletions/adjustments	-	-	-
As at 31 March 2024	1,059.89	341.14	1,401.04
Accumulated Amortization of Subsidiary acquired during the year	253.79	-	253.79
For the Year	15.95	69.60	85.55
Deletions/adjustments	-	-	-
As at 31 March 2025	1,329.63	410.75	1,740.38
Carrying Value			
As at 31 March 2024	24.02	354.88	378.89
As at 31 March 2025	418.73	285.27	704.00

4C. CAPITAL WORK-IN-PROGRESS

Particulars	31 Mar 2025	31 Mar 2024
Opening Balance	1,006.05	191.73
Add: Additions during the year	797.02	1,244.52
Less: Capitalisations during the year	(1,447.69)	(430.20)
Closing Balance	355.38	1,006.05

Ageing Schedule of Capital work-in-progress:

Particulars	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
As at 31 March 2025					
- Projects in progress	355.38	-	-	-	355.38
- Projects temporarily suspended	-	-	-	-	-
As at 31 March 2024					
- Projects in progress	1,006.05	-	-	-	1,006.05
- Projects temporarily suspended	-	-	-	-	-

4D. RIGHT-OF-USE ASSETS

The Group's lease assets consists of leases of land and buildings and vehicle having the various lease terms. Accordingly, the Group has adopted IND AS 116 "Leases" to all lease contracts

Particulars	Right-of-use assets	Total
Gross Block		
As at 01 April 2023	214.15	214.15
Additions during the year	535.96	535.96
Deletions/adjustments	-	-
As at 31 March 2024	750.11	750.11
Acquired thorough Subsidiaries	1,643.10	1,643.10
Additions during the year	1,194.51	1,194.51
Deletions/adjustments	-	-
As at 31 March 2025	3,587.72	3,587.72
Depreciation		
As at 01 April 2023	51.43	51.43
For the Year	108.68	108.68
Deletions/adjustments	-	-
As at 31 March 2024	160.12	160.12
Accumulated Depreciation of Subsidiary acquired during the year	656.68	656.68
For the Year	319.01	319.01
Deletions/adjustments	-	-
As at 31 March 2025	1,135.80	1,135.80
Net Block		
As at 31 March 2024	590.00	590.00
As at 31 March 2025	2,451.92	2,451.92

The following amounts related to Right-of-use assets were recognised in the statement of profit or loss:

Particulars	31 March 2025	31 March 2024
Interest expense	141.70	7.69
Depreciation expense	319.01	108.68
Total	460.71	116.37

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

4E. GOODWILL

Particulars	31 March 2025	31 March 2024
Opening balance	301.70	115.80
Add: Acquisition of subsidiaries	6,716.36	185.90
Closing balance	7,018.06	301.70

4F. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Total
As at 01 April 2023	
Additions during the year	82.29
Capitalisation/adjustments	-
As at 31 March 2024	82.29
Additions during the year	288.00
Capitalisation/adjustments	-
As at 31 March 2025	370.29

4F. INTANGIBLE ASSETS UNDER DEVELOPMENT (Contd.)**Ageing Schedule of Intangible assets under development**

Particulars	< 1 year	1-2 years	2-3 years	> 3 years	Total
As at 31 March 2025					
- Projects in progress	288.00	82.29	-	-	370.29
- Projects temporarily suspended	-	-	-	-	-
As at 31 March 2024					
- Projects in progress	82.29	-	-	-	82.29
- Projects temporarily suspended	-	-	-	-	-

5. INVESTMENTS (NON CURRENT)

Particulars	31 March 2025	31 March 2024
Investment Accounted using Equity Method:		
Investment in associates (unquoted) measured at cost	403.54	-
Add: Profit/(loss) accounted on equity method	(0.82)	-
Investment in Others:		
17,500 (31 Mar 2024 - 17,500) Equity shares and 2,139 (31 Mar 2024 - 2,139) Class Seed Preferred shares of Paladin AI INC.	224.22	224.22
Less: Provision for Impairment of Investments (Refer Note 33)	(224.22)	(224.22)
	402.72	-

6. OTHER FINANCIAL ASSETS**6A. Other financial assets (Non-current)**

Particulars	31 March 2025	31 March 2024
Unsecured, Considered good		
Security Deposits	67.62	61.64
Deposits with government, public bodies and others	14.50	14.31
Bank Deposits maturity more than 12 Months	21,538.58	2,280.25
Others	125.43	46.96
Advance for acquisition for shares	252.84	252.84
Less: Provision for Advances towards investment (Refer Note 33)	(252.84)	-
	21,746.13	2,656.00

6B. Other Financial assets (Current)

Particulars	31 March 2025	31 March 2024
Unsecured, Considered good		
Accrued Income but not due	1,110.64	818.09
Interest accrued but not due on deposits	1,550.50	180.99
Other Deposits	1,533.60	-
	4,194.74	999.08

Note: Refer Note 42 for classification of financial instruments.

6C. Loans

Particulars	31 March 2025	31 March 2024
Advances to Employees	8.97	-
	8.97	-

7. DEFERRED TAX ASSETS/LIABILITY (NET)

Particulars	31 March 2025	31 March 2024
Deferred Tax Asset		
Deferred Tax Asset on Gratuity	(292.41)	(72.34)
Deferred Tax Asset on Leases	34.06	(2.75)
Deferred Tax on Borrowings	(20.83)	-
Deferred Tax on Security Deposit	(69.21)	-
Deferred Tax on Trade Receivables	(66.80)	-
Deferred Tax on Provision for expenses	(362.00)	-
Deferred Tax on brought forward losses	(92.74)	-
Deferred Tax Liability		
Accelerated depreciation for tax purposes	613.38	719.78
On Other comprehensive income	(188.00)	(22.33)
Others	-	-
Net Deferred tax (Asset)/Liability	(444.53)	622.37

Note: Refer Note 35 for further details.

8. OTHER NON CURRENT ASSETS

Particulars	31 March 2025	31 March 2024
Prepaid expenses [#]	104.17	62.11
Capital Advances	6.13	6.13
Others ^{##}	248.52	65.44
	358.82	133.68

[#] represents amounts paid in advance for the expenses that are not yet incurred as of the end of the financial year.

^{##} Includes amounts paid under protest to tax authorities amounting to Rs. 124.00 Lakhs (31 March 2024: Rs. Nil)

9. INVENTORIES

Particulars	31 March 2025	31 March 2024
Raw material	4,835.99	8,252.54
Work in progress	5,721.01	8,636.34
Finished Goods	649.74	19.00
Stock-in-trade	720.02	-
	11,926.75	16,907.87

For details of hypothecation of inventory, refer Note 21.

10. TRADE RECEIVABLES

Particulars	31 March 2025	31 March 2024
Unsecured, considered good		
Trade Receivables	41,282.35	18,802.49
Less: Provision for expected credit losses	(239.68)	(352.34)
	41,042.67	18,450.15

10. TRADE RECEIVABLES (Contd.)**Note:**

- Receivables do not include any amount due and recoverable from directors or other officers of the Holding Company, or Companies under the same management.
- Trade Receivables are Non Interest Bearing.
- For details of hypothecation of trade receivables, refer Note No 21.

Ageing Schedule of Trade receivables:**As at 31 March 2025**

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		<6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables - considered good	13,056.54	14,166.88	12,879.76	847.30	161.27	157.08	41,268.83
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	13,056.54	14,166.88	12,879.76	847.30	161.27	157.08	41,268.83
Less: Provision for expected credit losses							(239.68)
Add: Unbilled Revenue							13.52
Total							41,042.67

As at 31 March 2024

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		<6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables -considered good	12,444.77	3,190.54	2,414.38	275.86	399.20	77.73	18,802.49
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	12,444.77	3,190.54	2,414.38	275.86	399.20	77.73	18,802.49
Less: Provision for expected credit losses							(352.34)
Add: Unbilled Revenue							-
Total							18,450.15

11. CASH AND CASH EQUIVALENTS

Particulars	31 March 2025	31 March 2024
Cash on hand	9.79	9.64
Balances with banks:		
- In current accounts	5,906.36	1,960.92
- In Overdraft accounts	-	199.26
- In Fixed Deposits with original maturity Less than 3 months	1,499.25	1,501.03
	7,415.40	3,670.85

Note:

- There is no restriction with regard to cash and cash equivalents as at the end of 31 March 2025 and 31 March 2024.
- Refer Note 42 for Classification of financial instruments.

12. OTHER BANK BALANCES

Particulars	31 March 2025	31 March 2024
Balances with banks for unclaimed dividend	8.10	6.45
Fixed Deposits with original maturity More than 3 months & Less than 12 months	76,850.73	5,320.93
Deposits against Bank Guarantee's*	12,095.20	6,748.32
Other Fixed Deposits	208.38	70.80
	89,162.41	12,146.50

Refer Note 42 for Classification of financial instruments.

*These deposits are held as margin money against bank guarantee.

13. LOANS

Particulars	31 March 2025	31 March 2024
Unsecured-Considered Good		
Advances to Employees	8.12	-
Others	234.91	79.94
	243.03	79.94

14. CURRENT TAX ASSETS (NET)

Particulars	31 March 2025	31 March 2024
Taxes Paid	1,292.58	265.49
	1,292.58	265.49

15. OTHER CURRENT ASSETS

Particulars	31 March 2025	31 March 2024
Unsecured, considered good		
Prepaid Expenses	431.73	279.66
Office Rent Advance	16.06	15.53
Balance with Statutory Authorities	2,471.23	4,818.31
Advance to material suppliers(Creditors)	2,124.56	4,148.41
Advance to Other Creditors	5.32	-
Duty Credit Scripts	-	0.41
Advances to Employees	43.30	17.48
Others	28.78	34.59
	5,120.98	9,314.38

16. EQUITY SHARE CAPITAL**(i) Authorised share capital**

Particulars	Equity Shares	
	No.of shares	Amount
As at 01 April 2023	20,00,00,000	2,000.00
Increase/(Decrease) during the year	-	-
As at 31 March 2024	20,00,00,000	2,000.00
Increase/(Decrease) during the year	-	-
As at 31 March 2025	20,00,00,000	2,000.00

16. EQUITY SHARE CAPITAL (Contd.)**(ii) Issued share capital**

Particulars	Equity Shares	
	No. of shares	Amount
Equity share of Rs. 1 each issued, subscribed and fully paid up		
As at 01 April 2023	7,95,10,000	795.10
Increase/(Decrease) during the year	45,34,260	45.34
As at 31 March 2024	8,40,44,260	840.44
Increase/(Decrease) during the year	62,46,096	62.46
As at 31 March 2025	9,02,90,356	902.90

For the year ended 31 March 2025, in accordance with provisions of the Companies Act, 2013 and other related laws, the Holding Company has allotted 62,46,096 Equity Shares of face value of Rs. 1 per Equity Share at price of Rs. 1,601 per Equity Share, aggregating to Rs. 1,00,000 Lakhs through Qualified Institutional Placement (QIP).

For the year ended 31 March 2024, the Holding Company had allotted 40,64,267 equity shares through the conversion of compulsory convertible debentures, each shares of face value of Rs. 1 per Equity Share at price of Rs. 213 per share, aggregating to Rs. 8,657 Lakhs (Refer Note 48).

(iii) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having par value of Rs. 1/- each. Each equity share holder is entitled to one vote per equity share held.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) The details of shares held by shareholder holding more than 5% of shares in the Group

Particulars	31 March 2025		31 March 2024	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of Re. 1/- each fully paid up				
Ashok Atluri	1,95,46,103	21.65%	2,15,46,103	25.64%
Kishore Dutt Atluri	1,47,40,970	16.33%	1,57,40,970	18.73%

(v) Shares held by promoter**As at 31 March 2025**

Promoter Name	Class of Equity share	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
Ashok Atluri	Equity share of Re.1 each	2,15,46,103	(20,00,000)	1,95,46,103	21.65%	(9.28%)
Kishore Dutt Atluri	Equity share of Re.1 each	1,57,40,970	(10,00,000)	1,47,40,970	16.33%	(6.35%)
Tara Dutt Atluri	Equity share of Re.1 each	18,89,756	-	18,89,756	2.09%	0.00%
Rama Devi Atluri	Equity share of Re.1 each	26,70,000	-	26,70,000	2.96%	0.00%
Satish Atluri	Equity share of Re.1 each	11,84,000	-	11,84,000	1.31%	0.00%
Anisha Atluri	Equity share of Re.1 each	10,00,000	-	10,00,000	1.11%	0.00%
Arjun Dutt Atluri	Equity share of Re.1 each	10,00,000	-	10,00,000	1.11%	0.00%
Ravi Kumar Midathala	Equity share of Re.1 each	5,00,000	-	5,00,000	0.55%	0.00%
Beena Atluri	Equity share of Re.1 each	4,34,364	-	4,34,364	0.48%	0.00%
Nagarjunudu Kilari	Equity share of Re.1 each	1,50,290	-	1,50,290	0.17%	0.00%
Indira Garapati	Equity share of Re.1 each	1,20,000	-	1,20,000	0.13%	0.00%
Nandita Sethi	Equity share of Re.1 each	50,000	-	50,000	0.06%	0.00%
Abhilasha Atluri	Equity share of Re.1 each	-	10,00,000	10,00,000	1.11%	100.00%

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Promoter Name	Class of Equity share	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
Ashok Atluri	Equity share of Re. 1 each	2,13,11,220	2,34,883	2,15,46,103	25.64%	1.10%
Kishore Dutt Atluri	Equity share of Re. 1 each	1,57,56,220	(15,250)	1,57,40,970	18.73%	(0.10%)
Tara Dutt Atluri	Equity share of Re. 1 each	33,89,756	(15,00,000)	18,89,756	2.25%	(44.25%)
Rama Devi Atluri	Equity share of Re. 1 each	26,70,000	-	26,70,000	3.18%	0.00%
Satish Atluri	Equity share of Re. 1 each	11,84,000	-	11,84,000	1.41%	0.00%
Anisha Atluri	Equity share of Re. 1 each	10,00,000	-	10,00,000	1.19%	0.00%
Arjun Dutt Atluri	Equity share of Re. 1 each	10,00,000	-	10,00,000	1.19%	0.00%
Ravi Kumar Midathala	Equity share of Re. 1 each	7,50,000	(2,50,000)	5,00,000	0.59%	(33.33%)
Beena Atluri	Equity share of Re. 1 each	4,34,364	-	4,34,364	0.52%	0.00%
Nagarjunudu Kilari	Equity share of Re. 1 each	1,50,290	-	1,50,290	0.18%	0.00%
Indira Garapati	Equity share of Re. 1 each	1,20,000	-	1,20,000	0.14%	0.00%
Nandita Sethi	Equity share of Re. 1 each	50,000	-	50,000	0.06%	0.00%

(vi) Shares Reserved for issue under Employee Stock Option Plan (ESOP)

For details of shares reserved for issue under the ESOP of the Group, please refer note 45.

17. OTHER EQUITY

Particulars	Notes	31 March 2025	31 March 2024
Securities premium	17.1	1,09,045.14	11,088.60
Capital redemption reserve	17.2	117.24	117.24
General reserve	17.3	3,595.95	3,525.01
Retained earnings	17.4	57,362.93	30,236.79
Share Warrants	17.5	-	-
Other Comprehensive Income	17.6	(218.04)	34.14
Equity Component of Compound Financial Instruments	17.7	-	-
Share Based Payments Reserve	17.8	230.73	285.94
Treasury Shares	17.9	(967.65)	(1,265.34)
		1,69,166.29	44,022.37
Non-Controlling Interests (NCI)	17.10	3,521.82	1,766.36
		1,72,688.11	45,788.73

17.1 Securities premium

Particulars	31 March 2025	31 March 2024
Opening balance	11,088.60	2,654.31
Add: Additions during the year	97,956.54	8,434.29
	1,09,045.14	11,088.60

Securities premium is used to record the premium received on issue of shares. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Refer Note 16(ii) for details on securities premium from issues of shares

17.2 Capital redemption reserve

Particulars	31 March 2025	31 March 2024
Opening balance	117.24	117.24
Add: Additions during the year	-	-
	117.24	117.24

Capital redemption reserve was created during redemption of preference shares out of the profits of the Group in accordance with the requirements of Companies Act.

17. OTHER EQUITY (Contd.)**17.3 General reserve**

Particulars	31 March 2025	31 March 2024
Opening balance	3,525.01	3,525.01
Add: Additions during the year	70.94	-
	3,595.95	3,525.01

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

17.4 Retained earnings

Particulars	31 March 2025	31 March 2024
Opening balance	30,236.79	17,615.13
Add: Net profit for the year	28,024.41	12,788.46
(A)	58,261.19	30,403.59
Less: Dividend distributed to equity shareholders (B)	(898.27)	(166.81)
(A-B)	57,362.92	30,236.79

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions to shareholders.

17.5 Share Warrants

Particulars	31 March 2025	31 March 2024
Opening balance	-	250.08
Add: Amount received on account of allotment of share warrants	-	750.24
(A)	-	1,000.32
Less: Allotment of equity Shares pursuant to conversion of share warrants (B)	-	1,000.32
(A-B)	-	-

During the year ended 31 March 2022, the Group has issued share warrants and 25% of the subscription amount was received at the time of allotment of share warrants. Balance amount (75%) was received during the year ended 31 March 2024 and the Group has converted the share warrants to equity shares in the same financial year.

17.6 Other Comprehensive Income

Particulars	31 March 2025	31 March 2024
Actuarial Gain or Loss:		
Opening balance	5.94	35.16
Add: Additions during the year	(85.58)	(29.22)
Closing Balance	(79.64)	5.94
Foreign Currency Translation Reserve:		
Opening balance	28.20	67.72
Add: Additions during the year	(166.61)	(39.52)
Closing Balance	(138.41)	28.20
	(218.05)	34.14

Other Comprehensive Income (OCI) represents the amount recognised in other equity consequent to remeasurement of Defined Benefit Plan and Exchange differences arising on translation of the foreign operations.

17. OTHER EQUITY (Contd.)**17.7 Equity Component of Compound Financial Instruments**

Particulars	31 March 2025	31 March 2024
Opening balance	-	7,479.32
Add: Equity component of Compulsorily Convertible Debentures (CCD) issued	-	-
(A)	-	7,479.32
Less: Allotment of equity Shares pursuant to conversion of CCD's	(B)	7,479.32
(A-B)	-	-

Refer Note 48 for details of compulsory convertible debentures.

17.8 Share based payment reserve

Particulars	31 March 2025	31 March 2024
Opening balance	285.94	44.21
Add: Employee Share Based Payment Expense	191.61	437.69
Add: Excess tax benefit from SBP (Credited to Equity)	-	-
	477.55	481.90
Less: Exercise of Share Options	246.82	195.96
	230.73	285.94

Share based payment is created as per Ind AS 102, Share Based Payments, which requires the fair value of equity settled share based payments to be recognised over the vesting period. The reserve represents the cumulative expense for employee stock options and is adjusted for grants, vesting, forfeiture and exercise. It is part of equity and not available for distribution.

Refer Note 45 for details on the Employee Stock Option Plan.

17.9 Treasury Shares

Particulars	31 March 2025	31 March 2024
Opening balance	(1,265.34)	(966.13)
Add: Purchase of treasury shares	-	(477.09)
	(1,265.34)	(1,443.22)
Less: Issue of Treasury Shares	(297.69)	(177.87)
	(967.65)	(1,265.34)

Treasury shares represent the shares of the Holding Company held by the Zen Technologies Limited Employees Welfare Trust (ESOP Trust).

The Holding Company has issued an employees stock option scheme for its employees. The shares of the Holding Company have been purchased and held by the ESOP Trust to issue and allot to employees at the time of exercise of ESOP by Employees. Refer Note 3 (V) and note 45.

17.10 Non-Controlling interests (NCI)

Particulars	31 March 2025	31 March 2024
Opening balance	1,766.36	1,410.82
Add: Additions to Business Combinations (Refer Note 51)	(149.15)	193.56
Add: Net profit/(loss) attributable to NCI	1,904.62	161.98
	3,521.82	1,766.36

18. BORROWINGS (NON CURRENT)

Particulars	31 March 2025	31 March 2024
Secured (at amortized cost)		
Term loans from NBFC		
(a) Indian Rupee term loan	5,220.36	-
Less:		
Current maturities of long-term debt (Refer note 21)	1,200.00	
	4,020.36	-

19.1 LEASE LIABILITIES**Non Current**

Particulars	31 March 2025	31 March 2024
At amortised cost		
Lease Liability	1,717.42	413.53
	1,717.42	413.53

Current

Particulars	31 March 2025	31 March 2024
At amortised cost		
Lease Liability	637.77	128.35
	637.77	128.35

19.2 OTHER FINANCIAL LIABILITIES

Particulars	31 March 2025	31 March 2024
Unclaimed dividends	8.10	6.45
Provision for expenses	5,351.96	695.80
Salaries and benefits	816.27	354.78
Bonus and incentives	1,210.63	136.45
Other payables	3,594.16	839.91
	10,981.13	2,033.39

As at 31 March 2025, other payables includes Rs. 3,390 Lakhs (31 March 2024: Nil) towards deferred purchase consideration for the acquisition of Applied Research International Private Limited. The deferred consideration has been recorded at its present value as per the requirements of Ind AS 103 – Business Combinations and Ind AS 109 – Financial Instruments. (Note 51).

Refer Note 42 for classification of financial instruments.

Particulars	31 March 2025	31 March 2024
Deferred Govt. Grant (IDEX SPARK Grant)	15.00	15.00
	15.00	15.00

20. PROVISIONS

Particulars	31 March 2025	31 March 2024
Non-Current		
- Provision for gratuity	1,073.33	379.53
- Compensated Absences	43.18	-
	1,116.51	379.53
Current		
- Provision for Income Tax	1,433.07	141.40
- Provision for gratuity	217.35	-
- Provision for Compensated Absences	4.04	-
- Other Provisions	330.88	138.13
	1,985.34	279.53

Refer Note 37 for details of Gratuity.

21. BORROWINGS (CURRENT)

Particulars	31 March 2025	31 March 2024
Secured		
Current maturities of long-term debt	1,200.00	-
Unsecured		
(a) Credit card	5.65	53.57
(b) Others	189.16	7.93
	1,394.81	61.50

Notes:

- The Group has not used borrowings taken from banks and financial institutions for the purpose other than for which it was taken.
- Quarterly returns or statements of current assets filed with banks are in agreement with the books of account of the Group.
- Amount Rs. 189.16 Lakhs includes Rs. 36.93 Lakhs loans from related parties (31 March 2024: Rs. 7.93 Lakhs).

Security:

The Group's borrowings, from banks and NBFCs, are secured by first pari passu charge on the property, plant and equipments, both present and future. Working capital loans have first pari passu charge on the Group's entire current assets, both present and future, and second pari passu charge on the Group's property, plant and equipments, both present and future as per the borrowing terms.

22. TRADE PAYABLES

Particulars	31 March 2025	31 March 2024
Trade payables		
- Dues to Micro and Small Enterprises	1,089.12	2,102.42
Dues to creditors other than micro and small enterprises	1,457.71	1,107.70
	2,546.83	3,210.12

Trade payable are non interest bearing.

22. TRADE PAYABLES (Contd.)**Ageing Schedule of Trade Payables:****As at 31 March 2025**

Particulars	Outstanding for the following periods from the due date of payment					Total
	Not Due	<1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	1,089.12	-	-	-	-	1,089.12
(ii) Others	343.71	1,087.21	10.05	16.48	0.28	1,457.72
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	1,432.83	1,087.21	10.05	16.48	0.28	2,546.84

As at 31 March 2024

Particulars	Outstanding for the following periods from the due date of payment					Total
	Not Due	<1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	2,102.42	-	-	-	-	2,102.42
(ii) Others	-	1,083.51	23.29	0.62	0.28	1,107.70
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	2,102.42	1,083.51	23.29	0.62	0.28	3,210.12

23. OTHER CURRENT LIABILITIES

Particulars	31 March 2025	31 March 2024
Income billed but not due	999.00	325.41
Taxes payable	2,142.53	2,916.21
Advance from customers	3,348.52	17,058.43
Other payables	77.90	279.29
	6,567.95	20,579.34

24. CURRENT TAX LIABILITIES (NET)

Particulars	31 March 2025	31 March 2024
Provision for Income Tax	283.22	698.43
	283.22	698.43

25. REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(a) Sale of products	93,221.02	40,664.31
(b) Rendering of services	4,143.14	3,320.89
	97,364.16	43,985.20

Contract balances:

Particulars	31 March 2025	31 March 2024
(a) Receivables		
Trade Receivables (refer note 10)	41,282.35	18,802.49
Less: Allowances for Expected Credit Loss	(239.68)	(352.34)
Net Receivables	41,042.67	18,450.15

25. REVENUE FROM OPERATIONS (Contd.)**Contract balances:** (Contd.)

Particulars	31 March 2025	31 March 2024
(b) Contract Liabilities		
Advances received from customers (refer note 23)	3,348.52	17,058.43
Income billed but not due (refer note 23)	999.00	325.41
	4,347.52	17,383.84
(c) Contract Assets		
Unbilled revenue for other than passage of time (refer note 6B)	1,110.64	818.09
	1,110.64	818.09

26. OTHER INCOME

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest income	4,888.27	1,085.33
Foreign exchange fluctuation gain (net)	242.19	58.25
Other income	708.10	348.67
	5,838.55	1,492.26

The Foreign Exchange Gain/(Loss) is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement/reporting date.

27. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening stock of raw materials	7,825.23	1,247.79
Raw materials from acquisition of subsidiaries	7.73	-
Add: Purchases	31,521.88	23,752.12
	39,354.84	24,999.91
Less: Closing stock of raw materials	(4,835.99)	(7,825.23)
	34,518.85	17,174.68

28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening work-in-progress	8,992.97	3,620.17
Opening Finished Good	89.67	-
Opening stock-in-trade	-	-
Work-in-progress from acquisition of subsidiaries	388.95	-
	9,471.59	3,620.17
Closing work-in-progress	6,428.03	8,992.97
Closing Finished Good	662.74	-
Closing stock-in-trade	-	-
	7,090.77	8,992.97
Net (increase) / decrease in inventory	2,380.83	(5,372.80)

29. MANUFACTURING EXPENSES

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Power and fuel	52.26	36.08
Material Handling Charges	45.61	9.37
Travel expenses - Production	0.96	8.12
Factory Maintenance	780.55	559.11
Training Charges	3.70	0.43
Job work charges	3.22	-
Factory Wages	483.27	408.17
Technical and professional fees	87.06	-
Other consumables	116.54	45.41
	1,573.16	1,066.69

30. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries, wages and bonus	8,104.80	5,078.27
Contribution to provident and other funds (Note 37)	162.49	112.06
Salary arrears	10.59	22.59
Director sitting fee (Note 39)	12.50	10.50
Gratuity expense (Note 37)	124.45	85.25
Share based Payment Expenses (Note 45)	191.71	437.69
Staff welfare expenses	269.05	160.82
	8,875.58	5,907.18

Refer Note 39 for Remuneration to Key Managerial Personnel.

31. FINANCE COSTS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Bank Charges	25.43	34.33
BG Commission	157.10	118.58
Processing Charges	39.34	29.32
Interest on borrowings		
- interest on cash credit/OD account	3.88	0.05
- interest on Lease Liability	81.87	7.69
- interest on Term Loan account	587.24	-
- interest on Vehicle loan	-	0.07
- interest on MSME	1.01	0.19
- interest Others	141.70	37.90
	1,037.56	228.13

32. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation and Amortization Expense	1,135.66	779.31
Amortisation of Intangible Assets	86.70	79.96
Depreciation on Right-of-use assets	319.01	108.68
	1,541.37	967.96

33. OTHER EXPENSES

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Business Promotion	233.13	144.40
Exhibition expenses	403.93	217.70
Commission on Sales	98.17	1,234.92
System Installation & Maintenance	311.53	127.61
Freight	659.84	167.26
Domestic Travel	697.73	438.71
Foreign Travel	407.81	332.91
Advertisement	102.07	140.09
Conveyance	281.37	113.97
Consumables	48.99	33.93
Repairs and maintenance	16.48	1.67
CSR expenditure	159.30	55.85
Electricity Charges	130.24	82.60
Insurance	62.85	55.40
Membership & Subscription	7.77	1.45
Office Maintenance	692.57	328.73
Postage & Telephone	40.55	40.24
Printing & Stationary	35.24	28.09
Professional Charges	3,927.10	1,078.26
Rates & Taxes	86.75	71.70
Rent	391.06	182.61
Security expenses	81.25	58.70
Vehicle Maintenance	41.70	34.33
Computer Maintenance	0.41	2.22
Rent on Machinery-R&D	1.12	-
Rent on Lease Vehicle	4.16	-
License and software	21.62	15.19
Spares & Stores	1,527.48	733.29
Provision for Expected Credit Loss	165.22	352.34
Advances written off	-	115.50
Payment to Auditor	63.37	8.85
Provision for Impairment of Advances*	252.84	224.22
Provision for Advances Write off**	-	23.47
Provision for Warranties	538.32	206.14
Telephone and Internet Expenses	75.44	1.31

33. OTHER EXPENSES (Contd.)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Testing Charges	92.21	41.52
Interest & penalty on income tax	900.00	-
Other expenses	103.78	435.96
	12,663.36	7,131.14

****Provision for impairment of investment:**

During the year ended 31 March 2024, the group had written off its entire investment of Rs. 224.22 Lakhs after assessing it as fully impaired in Paladin AI INC.

***Provision for impairment of advances:**

During the year ended 31 March 2025, the group has recognised an impairment of Rs. 252.84 Lakhs on advance given to Paladin AI INC, considering the recoverability doubtful.

34. COMPONENTS OF OTHER COMPREHENSIVE INCOME

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit plans	(117.48)	(41.37)
Deferred tax on remeasured gain/(loss)	27.47	12.15
	(90.01)	(29.22)
Items that will be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(223.93)	118.47
Deferred tax on exchange differences	57.33	(34.50)
	(166.61)	83.97

35. INCOME TAX

The major components of income tax expenses for the year ended 31 March 2025 and 31 March 2024 are as follows:

Profit or loss section

Particulars	31 March 2025	31 March 2024
Current tax expense	11,170.59	3,664.93
Earlier years tax	22.69	(44.68)
MAT credit utilisation		-1,886.92
Deferred tax	(519.35)	3931.61
Total income tax expense recognised in Statement of Profit and Loss	10,673.93	5,664.95

OCI section

Particulars	31 March 2025	31 March 2024
Tax Effect on remeasurement of defined benefit plans	84.80	(22.35)
Income tax charged to OCI	84.80	(22.35)

a) Reconciliation of tax expense to the accounting profit is as follows:

Particulars	31 March 2025	31 March 2024
Profit before tax	40,607.39	18,615.39
At India's statutory income tax rate of (C.Y-25.168%), (P.Y -29.12%)	10,220.07	5,420.80
Adjustments in respect of current income tax of previous years	22.69	0
Adjustments		
Items which are not tax deductible for computing taxable income	95.89	59.08
Effect of change in income tax rate for deferred tax recognised	(25.05)	38.74
Effect of items which are not taxable for computing taxable income	(48.45)	50.95
Others	(408.78)	95.38
Income tax expense recognised in the Statement of Profit and Loss	10,673.93	5,664.95

Deferred tax (liabilities)/assets in relation to:

31 March 2025

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit availed/ (utilization)	Closing balance
Deferred tax (liabilities)/assets in relation to:					
MAT credit	-	-	-	-	-
Timing difference on					
- Property, plant and equipment	(721.21)	111.02	-	-	(610.19)
- Disallowances under Income Tax Act, 1961, allowed on payment basis	75.32	599.91	-	-	675.23
- Remeasurement of defined benefit plans	3.11	-	149.52	-	152.63
- Exchange difference on translation of foreign operation	31.40	-	(0.01)	-	31.39
- Others	(10.99)	206.46	-	-	195.47
Deferred tax (liabilities)/ assets (Net)	(622.37)	917.39	149.51	-	444.53

31 March 2024

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit availed/ (utilization)	Closing balance
Deferred tax (liabilities)/assets in relation to:					
MAT credit	1,886.92	-	-	(1,886.92)	-
Timing difference on					
- Property, plant and equipment	(645.50)	(75.71)	-	-	(721.21)
- Disallowances under Income Tax Act, 1961, allowed on payment basis	155.04	(79.72)	-	-	75.32
- Remeasurement of defined benefit plans	7.47	-	(4.36)	-	3.11
- Exchange difference on translation of foreign operation	-	-	31.40	-	31.40
- Others	4.61	(15.60)	-	-	(10.99)
Deferred tax (liabilities)/ assets (Net)	1,408.54	(171.03)	27.04	(1,886.92)	(622.37)

b) Deferred tax asset/(liability)

Particulars	31-Mar-25	31-Mar-24
Deferred tax asset/(liability) (net)	444.53	622.37
MAT credit entitlement	-	
Deferred tax asset (net)	444.53	622.37

36. EARNINGS PER SHARE

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity holders (after adjusting for interest on the Compulsory convertible debentures) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	31 March 2025	31 March 2024
Earnings per equity share		
Profit attributable to equity shareholders (Rs. in Lakhs)	28,024.41	12,788.46
Add: Interest on Compulsory Convertible Debentures (CCD)	-	3.59
Adjusted earnings	28,024.41	12,792.06
Weighted average number of equity shares outstanding (Nos.) of Face Value of Rs. 1/- each	8,40,44,260	7,95,10,000
Add: Post conversion of CCD's on allotment of ordinary shares of face value of Rs. 1/- each	-	34,76,033
Add: New allotment of ordinary shares of face value of Rs. 1/- each	37,81,883	-
Add: Conversion of share warrants on allotment of ordinary shares of face value of Rs. 1/- each	-	4,01,626
Less: Weighted average number of equity shares held by ESOP trust of Face value of Rs. 1/- each	(4,32,081)	(6,05,788)
Weighted average number of equity shares for Basic EPS (Nos.)	8,73,94,062	8,27,81,872
Effect of dilutive equivalent Compulsorily convertible debentures	-	5,88,594
Weighted average number of equity shares for dilutive EPS (Nos.)	8,73,94,062	8,33,70,465
Face value per equity share (Rs.)	1.00	1.00
Earning per share - Basic (Rs.)	32.07	15.45
Earning per share - Diluted (Rs.)	32.07	15.34

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**(a) Defined contribution plan**

The following amounts recognised as an expense in the consolidated statement of profit and loss towards contribution to provident fund and other funds. There are no other obligations other than these contribution payable.

Particulars	31 March 2025	31 March 2024
Contribution to provident fund recognised as expense (Note 30)	162.49	112.06

(b) Defined benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service is eligible to receive gratuity calculated at 15 days of last drawn basic salary for each completed year of service. The scheme is funded through a qualifying insurance policy.

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)**(b) Defined benefit plan** (Contd.)

The following table's summaries the components of net benefit expense recognised in the Consolidated Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Particulars	31 March 2025	31 March 2024
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	103.65	69.10
Past service cost	-	-
Interest cost on defined benefit obligation	32.25	25.60
Interest income on plan assets	(11.45)	(9.46)
Other adjustments	-	-
Net benefit expense	124.45	85.25
Re measurement during the year due to :		
Actuarial loss / (gain) arising from change in financial assumptions	90.77	(58.60)
Actuarial loss / (gain) arising from change in demographic assumptions	(4.15)	7.04
Actuarial loss / (gain) arising on account of experience changes	20.69	92.56
Return on plan assets excluding interest income	10.18	0.37
Amount recognised in OCI outside profit and loss statement	117.48	41.37
Balance Sheet		
Reconciliation of net liability / asset		
Closing Present Value of Defined Benefit Obligation	1,473.91	536.15
Closing Fair Value of Plan Assets	(183.24)	(151.40)
Closing net defined benefit liability	1,290.68	384.75
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	384.75	282.96
Defined benefit obligation of subsidiaries acquired	762.53	-
Current service cost	103.65	69.10
Past service cost	-	-
Net Interest cost	20.80	16.14
Re measurement during the period due to:		
Actuarial loss/(gain) arising from change in financial assumptions	90.77	(58.60)
Actuarial loss/(gain) arising from change in demographic assumptions	(4.15)	7.04
Actuarial loss/(gain) arising on account of experience changes	20.69	92.56
Return on plan assets excluding interest income	10.18	0.37
Benefits paid	(98.53)	(24.84)
Closing defined benefit obligation	1,290.68	384.75
Change in fair value of plan assets during the year		
Opening Fair Value of Plan Assets	151.40	122.65
Contributions paid by the employer	33.23	24.84
Return plan assets (Excluding interest income)	(10.18)	(0.37)
Benefits paid	(5.97)	(5.17)
Interest income on Plan Assets	11.45	9.46
Closing Fair Value of Plan Assets	179.93	151.40

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

Particulars	31 March 2025	31 March 2024
Discount rate (p.a.)	6.35%	6.97%
Salary escalation rate (p.a.)	10.00%	6.00%
Mortality rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Disability rate	0.00%	0.00%
Withdrawal rate (Past service (PS))	PS:0 to 42 : 17.24%	PS:0 to 42 : 15%
Normal retirement age (in years)	60	60
Adjusted average future service	4.42	5.22

A quantitative analysis for significant assumptions is as shown below:

Particulars	31 March 2025	31 March 2024
Assumptions - Discount rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	610.17	437.89
Impact of Decrease in 1% on defined benefit obligation	667.36	477.15
Assumptions - Salary Escalation rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	657.06	472.31
Impact of Decrease in 1% on defined benefit obligation	618.08	441.54

Asset Liability Comparisons

Year	31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2025
PVO at the end of the period	270.39	304.27	351.58	536.15	1,473.91
Plan Assets	104.36	121.89	122.65	151.40	183.24
Surplus/(Deficit)	(166.03)	(182.38)	(228.92)	(384.75)	(1,290.68)
Experience adjustment on plan assets	1.63	1.39	(0.45)	(0.38)	(10.18)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31 March 2025	31 March 2024
Expected future benefit payments		
Within the next 12 months (next annual reporting period)	222.66	122.42
Between 2 and 5 years	420.91	245.14
Between 6 and 10 years	880.81	200.88
Total expected payments	1,524.38	568.44

The weighted average duration of the defined benefit plan obligation as at 31 March 2025 is 3.81 years. (31 March 2024:4.26 years).

38. CONTINGENT LIABILITIES AND COMMITMENTS**(a) Contingent liabilities****I) Claims against the Group not acknowledged as debts:**

- On account of Direct Tax matters - Rs. 1,061.31 Lakhs (31 March 2024: Rs. 441.48 Lakhs).
- On account of Indirect Tax matters - Central Excise Duty - Rs. 823.40 Lakhs (31 March 2024: Rs. 823.40 Lakhs).

The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process with respect to Direct Tax and Indirect tax matters. No tax expense has been recorded in the consolidated financial statements for the tax demand raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

II) Guarantees & Commitments**Estimated amount of contracts remaining to be executed on capital account and not provided for:**

At 31 March 2025, the Group has commitments of Rs. 591.98 Lakhs relating to construction of new factory building at Adibatla(31 March 2024: Rs. 412.96 Lakhs relating to construction of new factory building at Maheswaram).

39. RELATED PARTY TRANSACTIONS

Information on names of related parties and nature of relationship as required by Ind AS 24, Related Party Disclosures are given below:

A) Nature of relationship and names of related parties:

Name of the party	Nature of relationship
(a) Key Managerial Personnel (KMP):	
Mr. Ashok Atluri	Chairman & Managing Director
Mr. Kishore Dutt Atluri	President & Joint Managing Director
Mr. M Ravi Kumar	Whole Time Director
Ms. Shilpa Choudari	Whole Time Director
Dr. Ravindra Kumar Tyagi	Independent Director
Ms. Sirisha Chintapalli	Independent Director - Zen Technologies Limited & Applied Research International Private Limited
Dr. Ajay Kumar Singh	Independent Director - Zen Technologies Limited & Unistring Tech Solutions Pvt Ltd
Mr. Sanjay V Jesrani	Independent Director
Mr. Afzal Harunbhai Malkani	Chief Financial Officer
Mr. Raghavendra Prasad Movva	Company Secretary & Compliance Officer (Till 24-09-2024)
Mr. Sourav Dhar	Company Secretary & Compliance Officer (w.e.f 02-11-2024)
Ms. Komal Bhangale	Whole Time Director - Aituring Technologies Limited
Mr. Satish Atluri	Director - Zen Technologies USA, INC
Mr. Tushar Hindlekar	Whole Time Director - Aituring Technologies Limited
Mr. Srinivasa Raju Kolahalam	CEO & Director - Unistring Tech Solutions Pvt.Ltd
Mr. S Nagendra Babu	Managing Director - Unistring Tech Solutions Pvt.Ltd
Mr. Shravan Rewari	Director-Applied Research International Pvt Ltd.
Mr. Sanjay Kumar	Whole Time Director-Applied Research International Pvt Ltd & ARI Labs Pvt Ltd.
Mr. Prudhvi Raj Pakalapati	Whole Time Director-Vector Technics Private Limited
Mr. Karna Mahendra Raj	Whole Time Director-Vector Technics Private Limited
Mr. Arjun Dutt Atluri	Director-Vector Technics Private Limited
Ms. Abhilasha Atluri	Director-Vector Technics Private Limited
Mr. Vijaya Rama Rao	Director-Vector Technics Private Limited
(b) Close Member of Key Management Personnel	
Mr. Arjun Dutt Atluri	Vice President, Son of Mr. Kishore Dutt Atluri
Mrs. Rama Devi Atluri	Spouse of Mr. Kishore Dutt Atluri
Ms. Anisha Atluri	Head Recruitment, Daughter of Mr. Kishore Dutt Atluri
Ms. Abhilasha Atluri	Manager Investor Relations - Daughter of Mr.Ashok Atluri
Ms. Devraj Shravani	Spouse of Mr. Srinivasa Raju Kolahalam
Ms. K Nikhila	Spouse of Mr. S Nagendra Babu
(c) Other related firms & associates	
Veer Sammaan Foundation	Founder Trustee
Zen Technologies Limited Employee Welfare Trust	Entity under the control of the Company
Digitally Enabled Spaces Pvt Ltd	Entity under the control of KMP of Subsidiary
Bhairav Robotics Private Limited	Associate

39. RELATED PARTY TRANSACTIONS (Contd.)**B) Following are the transactions with related parties during the year:**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
i) Remuneration to KMP		
Mr. Ashok Atluri	235.99	236.30
Mr. Kishore Dutt Atluri	215.98	200.19
Mr. M Ravi Kumar	74.07	74.47
Ms. Shilpa Choudari	59.85	39.50
Mr. Afzal Harunbhai Malkani-CFO	102.50	64.78
Mr. Raghavendra Prasad Movva-CS	11.37	18.18
Mr. Sourav Dhar-CS	5.91	-
Mr. Arjun Dutt Atluri	26.40	23.98
Ms. Abhilasha Atluri	11.51	2.12
Mr. Vijaya Rama Rao	75.87	-
Ms. Komal Bhangale	13.48	4.50
Mr. Tushar Hindlekar	25.13	4.50
Mr. Srinivasa Raju Kolahalam	262.77	111.89
Mr. S Nagendra Babu	263.00	112.13
V) Commission to KMP		
Mr. Ashok Atluri	1,055.97	553.24
Mr. Kishore Dutt Atluri	930.65	430.28
vi) Remuneration to Close Member of Key Management Personnel		
Ms. Anisha Atluri	18.00	13.284
Ms. Devraj Shravani	31.26	-
Ms. K Nikhila	19.05	-
vii) Sitting Fee to Independent Directors		
Ms. Sirisha Chintapalli	2.50	1.50
Mr. Sanjay V Jesrani	5.00	1.00
Mr. Amreek Singh Sandhu	-	4.00
Dr. Ravindra Kumar Tyagi	5.00	4.00
Dr. Ajay Kumar Singh	-	-
viii) Rent		
Mrs. Ramadevi Atluri	7.39	7.04
Mr. Shravan Rewari	19.96	-
Digitally Enabled Spaces Pvt Ltd	14.13	-
ix) CSR Expenditure		
Veer Sammaan Foundation	76.85	40.50

C) Balances with the related parties are summarised below:

Particulars	As at 31 March 2025	As at 31 March 2024
i) Related party receivables grouped under		
a) Other current assets		
Mr. Arjun Dutt Atluri	2.29	2.15
Ms. Anisha Atluri	-	0.04
Mr. Karna Mahendra Raj	7.94	-

39. RELATED PARTY TRANSACTIONS (Contd.)**C) Balances with the related parties are summarised below:** (Contd.)

Particulars	As at 31 March 2025	As at 31 March 2024
b) Other Current Liabilities		
Mr. Ashok Atluri	1,083.27	570.74
Mr. Kishore Dutt Atluri	917.15	447.78
Mr. M Ravi Kumar	-	6.05
Ms. Shilpa Choudari	4.03	4.92
Mr. Raghavendra Prasad Movva	-	1.68
Mr. Afzal Harunbhai Malkani	-	4.98
Mr. Arjun Dutt Atluri	-	2.18
Ms. Anisha Atluri	-	1.48
Ms. Abhilasha Atluri	-	0.98
Mr. Srinivasa Raju Kolahalam	124.08	33.47
Mr. S Nagendra Babu	122.94	32.68
Ms. Devraj Shravani	2.34	-
Ms. K Nikhila	1.65	-
Mr. Shravan Rewari	23.84	-
Mr. Prudhvi Raj Pakalapati	29.00	-
Digitally Enabled Spaces Pvt Ltd	15.26	-

Key managerial personnel of the Group's are covered by the Group's gratuity policy and eligible for compensated absences along with other employees of the Group. The proportionate amount of gratuity and compensated absences cost pertaining to them have not been included in the aforementioned disclosure as these can not be determined on an individual basis.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

40. THE DISCLOSURE PURSUANT TO THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006, (MSMED ACT) FOR DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES AS AT MARCH 31, 2025 AND MARCH 31, 2024 IS AS UNDER

Particulars	31 March 2025	31 March 2024
a) Principal amount outstanding (whether due or not) to micro and small enterprises.	1,089.12	2,102.42
b) Interest due thereon.	1.01	0.19
c) The amount of interest paid by the Group in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.01	0.19
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.		

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. This has been relied upon by the auditors.

41. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 108 "OPERATING SEGMENTS"

Operating Segments

The Group has identified 'Defence and Homeland', as its only primary reportable segment. The Board of Directors of the Group have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Group together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

Revenue	For the year ended 31 March 2025	For the year ended 31 March 2024
Domestic	61,012.43	35,973.66
Overseas	36,351.73	8,011.54
Total revenue per statement of profit or loss	97,364.16	43,985.20

The revenue information above is based on the locations of the customers.

Non-current operating assets:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
India	22,328.36	10,559.98
Outside India	17.62	-
Total non-current operating assets	22,345.98	10,559.98

Non-current assets for this purpose excludes financial assets and deferred tax assets.

Information about major customers

There are three customers individually contributing more than 10% of Group's revenue and these customers contribute 60.96% of the revenue for the year ended on 31 March 2025. For the year ended 31 March 2024 there is one customer contributing 61.51% of the revenue for the year.

42. FINANCIAL INSTRUMENTS

A. Measurement of fair values

The fair value of the financial assets and liabilities is recorded at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

B. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Notes	31 Mar 2025		31 Mar 2024		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial assets						
Trade receivables	10	41,042.67	-	18,450.15	-	-
Cash and cash equivalents	11	7,415.40	-	3,670.85	-	-
Other bank balances	12	89,162.41	-	12,146.50	-	-
Loans	13	243.03	-	79.94	-	-
Other financial assets (Current)	6B	4,194.74	-	999.08	-	-
Other financial assets (Non current)	6A	21,746.13	-	2,656.00	-	0
Total financial assets		1,63,804.38	-	38,002.53	-	-

42. FINANCIAL INSTRUMENTS (Contd.)**B. Accounting classifications and fair values** (Contd.)

Particulars	Notes	31 Mar 2025		31 Mar 2024		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial liabilities						
Borrowings	18	5,415.17	-	61.50	-	-
Lease liabilities	19	2,355.19	-	541.88	-	-
Trade payables	22	2,546.83	-	3,210.12	-	-
Other financial liabilities	19	10,981.13	-	2,033.39	-	-
Total financial liabilities		21,298.32	-	5,846.89	-	-

The fair value of trade receivables, other financial assets, cash and cash equivalents, other bank balances, loans, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

There have been no transfers among Level 1, Level 2 and Level 3 during the years ended 31 March 2025 and 31 March 2024.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's primary financial liabilities consist of borrowings, trade and other payables. These liabilities are primarily used to finance the Group's operations. The Group's principal financial assets include trade receivables, other receivables, investments, and cash and cash equivalents, all of which arise directly from its operating activities.

The Group has an integrated financial risk management system that proactively identifies and monitors key risks, while implementing precautionary and mitigatory measures to address them effectively.

The Group is exposed to market risk, credit risk, and liquidity risk. These risks are managed under the supervision of the Board of Directors, which independently evaluates and controls the overall financial risk management framework. The Board of Directors reviews and approves the risk management policies for each category of risk, as summarized below.

i) Market risk

Market risk refers to the potential impact of fluctuations in market prices on the fair value or future cash flows of financial instruments. It encompasses interest rate risk, foreign currency risk and other price risks. Financial instruments subject to market risk include trade receivables and other receivables, borrowings and trade payables. The Group's management is responsible for managing market risk through active oversight of cash positions, foreign currency risk mitigation strategies, borrowing arrangements, and adherence to internal market risk thresholds.

Expenditure in foreign currency

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Raw Materials and Components	4,682.70	4,258.55
Capital Goods	-	85.54
Foreign Travel (Exclusive of Tickets Purchased)	438.72	332.93
Membership	0.71	-
Professional Charges	12.10	10.89
Exhibition Expenses	129.72	145.32
Employee benefits expense	94.60	-
Others	389.31	34.88

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

1% changes in interest rate will increase/decrease the borrowing cost by Rs. 52.20 Lakhs (31 March 2024: Nil).

The Group holds deposits with banks and hence is exposed to interest rate sensitivity. 1% changes in interest rate will increase/decrease interest income by Rs. 1,119.8 Lakhs.

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows from an asset/liability will fluctuate because of changes in foreign exchange rates. The Group exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

Any movement in the functional currency of the various operations of the Group against major foreign currencies may impact the Group's revenue in international geographies. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)**Receivables/(Payables) in Foreign Currency**

Particulars	31 March 2025	31 March 2024
Advance from customers	(460.27)	(10,252.94)
Trade payables	(638.61)	(272.40)
Trade Receivables	27,141.80	754.82
Advance to Material suppliers	58.44	89.08

Exchange gain of Rs. 242.19 Lakhs and Rs. 8.25 Lakhs has been recognised in the consolidated statement of profit and loss for the years ended 31 March 2025 and 31 March 2024 respectively.

ii) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from credit exposures from trade receivables, advances given to suppliers (for procurement of goods, services and capital goods), cash and cash equivalent with banks, security deposits and loans.

Trade Receivables and Other Receivables

The credit risk of the Group is managed at a corporate level by the risk management committee which has established the credit policy norms for its customers. The Group expects to continue to derive most of its revenue from the Indian Defence Services under the contracts of the Ministry of Defence (MoD), consequent to which the Group has a negligible credit risk associated with such receivables.

As the Group's debtors are predominantly the Government of India (Indian Defence Services, Ministry of Home Affairs), Public Sector Undertakings where the counter-parties have sufficient capacity to meet the obligations, the risk of default is considered negligible. Accordingly, impairment on account of expected credit losses is being assessed on a case to case basis in respect of dues outstanding for significant period of time as per the accounting policy. Further, the management believes that the unimpaired amounts that are due is collectable in full, based on historical payment behaviour and extensive analysis of customer credit risk.

In a few cases credit is extended to customers based on market conditions after assessing the solvency of the customer and

the necessary due diligence to determine credit worthiness. Advance payments are made against bank guarantee which safeguards the credit risk associated with such payments. Impairment losses on financial assets have been made after factoring contractual terms and other indicators.

Financial instruments and cash deposits

The cash and cash equivalent with banks are in the form of short term deposits with maturity period of up to 1 year. The Group has a well structured Risk Mitigation Policy whereby there are present limits for each bank based on its net worth and earning capacity which is reviewed on a periodic basis. The Group has not incurred any losses on account of default from banks on deposits.

The credit risk in respect of other financial assets is negligible as they are mostly due from government department/other parties.

Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Group's Board of Directors.

The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Refer Note 10 for ageing for Trade Receivables.

iii) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities/recovery of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely manner.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Carrying Value	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years
As at 31 March 2025						
Borrowings	5,415.16	-	494.81	900.00	4,020.36	-
Other financial liabilities	13,336.32	8.10	9,762.39	1,210.63	2,355.19	-
Trade payables	2,546.84	-	2,546.84	-	-	-

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date: (Contd.)

Particulars	Carrying Value	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years
As at 31 March 2024						
Borrowings	61.50	-	61.50	-	-	-
Other financial liabilities	2,575.27	6.45	1,890.49	136.45	541.88	-
Trade payables	3,210.12	-	3,210.12	-	-	-

At present, the Group expects to repay all liabilities at their contractual maturity. The operating activities are expected to generate sufficient cash inflows in order to meet such cash commitments.

44. CAPITAL MANAGEMENT

For the purposes of managing capital, the Group considers its equity share capital, securities premium, and other equity reserves attributable to shareholders as components of capital. The key objective of capital management is to enhance long-term shareholder value. The Group actively reviews and adjusts its capital structure in response to evolving economic conditions and compliance with financial covenants. This may involve modifying dividend payouts, returning capital to shareholders, or issuing additional equity. Capital adequacy is monitored through the gearing ratio, calculated as net debt divided by the sum of net debt and total equity. Net debt comprises interest-bearing borrowings, net of cash, cash equivalents, and bank balances.

Particulars	31 March 2025	31 March 2024
Gearing ratio		
Borrowings (non-current and current, including current maturities of non-current borrowings, interest accrued and due, Interest accrued but not due)	5,415.16	61.50
Less: Cash and cash equivalents (including balances at bank other than cash and cash equivalents and margin money deposits with banks)	(1,18,116.39)	(18,097.60)
Net debt (A)	(1,12,701.23)	(18,036.10)
Equity (B)	1,73,591.01	46,629.17
Gearing ratio (%) $\{A/(A+B)\}^*$	-	-

Gearing ratio:

The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio within 50%. In order to achieve this overall objective, the Group makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group aims to ensure that it meets the financial covenants attached to the interest bearing loans and borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current year.

* Net Gearing Ratio for 31 March 2025 and 31 March 2024 not calculated since net debt is negative.

* No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

45. EMPLOYEE STOCK OPTION SCHEME

The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with Zen Technologies Limited as well as to motivate them to

contribute to its growth and profitability. The Group adopts Senior Executive Plan in granting Stock options to its Senior Employees. (Employee Stock Option Plan-2021).

During the Annual General Meeting held on 28th August 2021, Zen Technologies Limited introduced the Employee Stock Option Plan-2021, which was subsequently ratified by the shareholders on 29th September 2022, in accordance with the earlier SEBI (Share Based Employee Benefits) Regulations, 2014. The plan received in-principle approval from the National Stock Exchange of India Limited and BSE Limited to issue a maximum of 4,000,000 equity shares with a face value of Re. 1/- each, under the Zen Technologies Limited Employee Stock Option Plan-2021.

To facilitate the implementation of the ESOP scheme, the ESOS trust had purchased 4,81,524 shares from the secondary market, for allocation to eligible employees under the ESOS scheme. During the year ended 31 March 2024, ESOS trust borrowed funds of Rs. 5.75 crores and utilised such funds to Purchase additional 1,59,876 shares from secondary Market.

As at 31 March 2025, the ESOP Trust purchased in aggregate 6,41,400 shares from secondary market at consideration of Rs. 1567.66 Lakhs.

45. EMPLOYEE STOCK OPTION SCHEME (Contd.)

During the year ended 31 March 2024, the Nomination and Remuneration Committee had approved the grant of 22,500 Employee Stock Options (options) at an exercise price of Rs. 100 per option to eligible employees, as identified by the Committee on 28 October 2023. During the year ended 31 March 2025 the Nomination and Remuneration Committee had further granted 5,000 options on 4 May 2024 at an exercise price of Rs. 100 per option; 10,500 options on 28 July 2024 at an exercise price of Rs. 500 per option; 47,000 options on 14 February 2025 at an exercise price of Rs. 500 per option; and 1,37,000 options on 28 March 2025 at an exercise price of Rs. 500 per option.

In the standalone financial statements, the Group has adopted the policy of consolidating the ESOP Trust, the related loan and advances appearing in the standalone financial statements of the Group were eliminated and investment in own shares of the Group held by the trust is shown as treasury shares in "other equity".

b) The nature and extent of share-based payment arrangements that existed during the period

Summary of options granted under plan:

Particulars	31 March 2025	31 March 2024
Options Outstanding at the beginning of the year	36,16,600	37,29,100
No. of Options Granted during the Year	1,99,500	22,500
No. of Options Exercised during the year	1,21,800	1,23,690
No. of Options Forfeited/Cancelled/Expired during the year	1,000	10,000
Options Outstanding at the ending of the year	35,18,100	36,16,600
Vested and Exercisable	20,910	1,18,710

The fair value of the share-based payment options granted on is determined using the Black Scholes Option Pricing model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

46. EXCEPTIONAL ITEMS

During the year ended 31 March 2022, the Group filed an insurance claim of Rs. 712.00 Lakhs to compensate for the loss of property, plant and equipment that were destroyed due to a fire at the Group's Demonstration Centre located at Maheshwaram Hardware Park near Shamshabad Airport on November 30, 2021. Out of the claim filed, the Group received an ad-hoc amount of Rs. 200.00 Lakhs during the year ended 31 March 2024. The total insurance claim was subsequently revised to a total of Rs. 656 Lakhs based on the assessment by the Insurance provider. During the year ended 31 March 2024, the Group received an additional amount of Rs. 240.90 Lakhs as full and final settlement from the insurance provider.

The Group has recognised the expenditure incurred in the process of replacing the assets lost and renovation of building which is damaged and the same has been accounted as Property, Plant and Equipment.

Further, the Group has recognised the loss of Rs. 27.96 Lakhs pertaining to loss of property, plant and equipment under exceptional items in the Statement of Profit and Loss during the year ended 31 March 2022. During the year ended 31 March 2024, the Group has received an amount of Rs. 240.90 Lakhs as full and final settlement against the insurance claim out of total revised claim of Rs. 656 Lakhs. The Group has received Rs. 440.90 Lakhs as a total claim from the insurance provider.

47. DIVIDEND PROPOSED AND PAID

The amount of per share dividend recognised as distribution to equity shareholders in accordance with Companies Act, 2013 is as follows:

Particulars	31 March 2025	31 March 2024
Final Dividend for the Financial Year 2022-23	-	166.81
Final Dividend for the Financial Year 2023-24*	898.28	-
	898.28	166.81

*Dividend declared on shares held by the ESOP trust which are accounted as treasury shares in these financial statements amounting to Rs. 4.63 Lakhs (31 March 2024: Rs. 1.28 Lakhs) are not recognised as distribution of dividend to shareholders and has been adjusted directly to other equity.

The Board of Directors at its meeting on 17 May 2025, recommended a final dividend of Rs. 2.00 per equity share for the year ended 31 March 2025. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) to be held in August 2025 and if approved, would result in a net cash outflow of approximately Rs. 1,805.81 Lakhs.

48. COMPULSORILY CONVERTIBLE DEBENTURES

On 25 November 2021, the Group has made a preferential allotment of 40,64,267, 10% Compulsorily Convertible Debentures (CCD) having face value of Rs. 213/- each, for cash, at an aggregate consideration of Rs. 86,57,65,551. These CCDs shall be converted into equal number of equity shares of Rs. 1/- each at a premium of Rs. 212/- with in a period of 18 months from issue date.

The Group has accounted the CCDs in accordance with Ind AS 109, Financial Instruments, by considering these instrumensts as a compound financial instrument, comprising of:

- 1) Interest payments by the Group which is treated as a Financial liability - Borrowings (Note - 18 & 21). The financial liability measured as the net present value of the discounted cash flows of interest payments.
- 2) The holders of the CCDs have the option to convert, the CCDs them into equity shares of the Group, on or before 18 months from the issue date. In the event of the CCD holder not exercising the conversion option before expiry of the 18 months, each CCD will mandatorily convert into equity shares of the Group at a face value of Rs. 1 and at a premium of Rs. 212 per share on 24 May 2023. The Group has accounted for the conversion option in the CCD as equity and presented the same under "Other Equity" in Note 17. The carrying amount of the equity instrument is determined by deducting the fair value of the financial liability from the fair value of the CCDs.

The CCDs have been converted into equity shares of the Group on 24 May 2023 (Note 16) as per the terms of the issue.

49. RESEARCH & DEVELOPMENT EXPENSES

Group R&D Expenditure as Follows:-

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Employee Benefits expense	2,497.03	1,594.04
Electricity Charges	43.81	38.93
Travelling expenses	30.38	40.57
Spares & Stores	669.55	733.29
Consultancy Fee	12.70	75.17
Depreciation	31.88	111.86
Rates & Taxes	0.05	0.06
Repairs & Maintenance	36.32	17.09
Others	41.84	54.33
R&D Expenses	3,363.58	2,665.35

The above expenditure of research & development has been determined on the basis of information available with the Group and as certified by the management.

49. RESEARCH & DEVELOPMENT EXPENSES (Contd.)

The following are the details of the assets related to R & D division.

Unit- 1, B-42, Sanath Nagar

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 01 April 2024	Additions	Sales/ Adjustments	As at 31 March 2025	As at 01 April 2024	Charge for the year	Sales/ Adjustments	As at 31 March 2025
Tangible Assets (A)	1,168.53	116.38	-	1,284.90	590.79	31.87	-	622.65
Land	51.50	-	-	51.50	-	-	-	51.50
Building - Sanathnagar	482.29	25.72	-	508.01	104.99	8.43	-	113.41
Shed -B42	5.12	-	-	5.12	0.81	0.09	-	0.89
Shed - CNC - B 42	10.74	-	-	10.74	0.07	0.36	-	0.43
Computers	106.74	-	-	106.74	106.74	-	-	106.74
Plant and machinery	213.35	5.40	-	218.75	130.14	9.64	-	139.78
Office Equipment	85.56	85.27	-	170.83	84.78	1.43	-	86.21
Furniture & fixtures	149.02	-	-	149.02	106.16	10.88	-	117.05
Testing Equipment	64.20	-	-	64.20	57.10	1.05	-	58.15
INTANGIBLE (B)	907.82	-	-	907.82	907.82	-	-	907.82
Software	306.01	-	-	306.01	306.01	-	-	306.01
Software (RKT)	601.81	-	-	601.81	601.81	-	-	601.81
Total (A+B)	2,076.35	116.38	-	2,192.72	1,498.61	31.87	-	1,530.47
								662.26
								577.73

Unit-2, Signature Towers, Kondapur

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 01 April 2024	Additions	Sales/ Adjustments	As at 31 March 2025	As at 01 April 2024	Charge for the year	Sales/ Adjustments	As at 31 March 2025
Tangible Assets (A)	2,203.60	46.40	-	2,250.01	488.38	94.76	-	583.13
Land	199.15	-	-	199.15	-	-	-	199.15
Building	1,459.39	-	-	1,459.39	140.54	24.32	-	164.87
Computers	99.65	45.56	-	145.21	54.79	34.33	-	89.12
Office Equipment	105.70	0.75	-	106.46	99.10	2.13	-	101.23
Furniture & fixtures	339.70	0.09	-	339.79	193.94	33.98	-	227.92
R&D Total Assets for Unit I & Unit II	4,279.95	162.78	-	4,442.72	1,986.99	126.62	-	2,113.60
								2,329.13
								2,292.96

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

50. OTHER STATUTORY INFORMATION

- (i) The Group does not hold any Investment Property.
- (ii) The Group has not revalued its property, plant and equipment and intangible assets during the year.
- (iii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (iv) The Group has not been declared as wilful Defaulter by any bank or financial institution or other lender.
- (v) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (vi) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (x) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (xi) The Group has borrowings from banks, secured by hypothecation of inventories and by charge on book debts and other assets of the Group, and quarterly returns or statements of current assets filed by the Group are in agreement with books of accounts without any material discrepancies.

51. BUSINESS COMBINATIONS

Acquisition of Applied Research International Pvt Ltd

On 14 February 2025, the Group had entered into an agreement to acquire 100% of Applied Research International Private Limited ("ARIPL") for a consideration of Rs. 12,750 Lakhs. The acquisition of ARIPL will be completed in 2 tranches, with the purchase of the first tranche of 76% for a consideration of Rs. 8,850 Lakhs completed on 28 February 2025. The second tranche for 24% of ARIPL, for a consideration of Rs. 39 Crores, will be completed on or before 28 February 2026, as per the terms of the acquisition agreement. The Group has recognised the deferred consideration related to the second tranche as part of the total acquisition cost, in accordance with Ind AS 103, Business Combinations. A corresponding liability has been recorded under 'Other Payables' in these consolidated financial statements (Note 19).

a) Summary of assets acquired and liabilities assumed at fair value on the acquisition date:

Particulars	Total
Assets	
Property, plant and equipment	283.88
Right of use assets	1,014.13
Other intangible assets	154.04
Investments	7.38
Other financial assets	1,016.71
Deferred tax assets (net)	379.49
Other non current assets	174.22
Inventories	256.55
Trade receivables	3,586.65
Cash and cash equivalents	2,706.12
Bank balances other than above	356.08
Loans	10.15
Others financial assets	1,235.61
Current Tax Assets (Net)	572.60

51. BUSINESS COMBINATIONS (Contd.)**a) Summary of assets acquired and liabilities assumed at fair value on the acquisition date:** (Contd.)

Particulars	Total
Other current assets	580.91
Total Assets	12,334.50
Liabilities	
Lease liabilities	1,062.85
Provisions	669.42
Trade payables	1,200.84
Other financial liabilities	654.49
Other current liabilities	2,466.03
Provisions	82.16
Total Liabilities	6,135.79
Total identifiable net assets acquired	6,198.71

b) Calculation of Goodwill

Particulars	Total
Purchase Consideration	12,240.24
Add: Non-Controlling Interest	-
Less: Fair Value of Net Assets Acquired	(6,198.71)
Goodwill	6,041.53

Acquisition of ARI Labs Pvt Ltd

On 28 February 2025, the Group completed the acquisition of 100% stake in ARI Labs Private Limited, for a consideration of Rs. 250 Lakhs.

a) Summary of assets acquired and liabilities assumed at fair value on the acquisition date:

Particulars	Total
Assets	
Property, plant and equipment	3.40
Other financial assets	402.62
Deferred tax assets	4.63
Trade receivables	0.02
Cash and cash equivalents	324.45
Bank balances other than above	22.31
Others financial assets	8.86
Other current assets	3.84
Total assets	770.13
Borrowings	402.06
Trade Payables	18.01
Other current liabilities	319.77
Total liabilities	739.85
Total identifiable net assets acquired	30.29

b) Calculation of Goodwill

Particulars	Total
Purchase Consideration	250.00
Add: Non-Controlling Interest	-
Less: Fair Value of Net Assets Acquired	(30.29)
Goodwill	219.71

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

51. BUSINESS COMBINATIONS (Contd.)**Acquisition of Vector Technics Private Limited**

On 14 February 2025, the Board of Directors approved the acquisition of 51% of Vector Technics Private Limited ("Vector") for a consideration of Rs. 2,499.88 Lakhs. During the quarter, the Company has acquired partly paid equity shares of Vector for Rs. 1,069.89 Lakhs and the balance consideration amounting to Rs. 1,429.99 Lakhs shall be paid on or before 24 February 2026. Consequently, a goodwill amounting to Rs. 455.13 Lakhs has been recorded on a provisional basis and subject to the final determination within the measurement period defined under IND AS 103, Business Combinations. This one-year period concludes when the Company obtains the necessary information to finalize the accounting or determines that such information is not obtainable.

Any adjustments resulting from the final purchase price allocation will be applied retrospectively in accordance with Ind AS 103, including restatement of comparative figures, where applicable. Any material revisions will be appropriately disclosed in the subsequent financial statements.

52. ACQUISITION OF ASSOCIATE

On 14 February 2025, the Board of Directors of the Company approved the purchase of 45.33% equity shares of Bhairav Robotics Private Limited ("Bhairav") for a consideration of Rs. 399.66 Lakhs. Consequent to the acquisition Bhairav has become an associate of the Company and has been accounted for under equity method in accordance with IND AS 28, Investments in Associates and Joint Ventures.

53. GROUP INFORMATION**Information about subsidiaries**

The consolidated financial statements of the Group include subsidiaries listed in the table below:

Name of the entity	As at 31 March 2025								
	Principal activities	Net Assets i.e., total assets minus total liabilities		Share in profit and loss		Share in Other Comprehensive income		Share in total Comprehensive income	
		%	Amount	%	Amount	%	Amount	%	Amount
Holding Company									
Zen Technologies Limited	Military Training & operations	97.30%	1,68,898.57	87.85%	26,295.05	55.84%	(143.29)	88.12%	26,151.76
Indian Subsidiaries									
Unistring Tech Solutions Private Limited	Development of electronic warfare solutions	3.76%	6,520.95	13.18%	3,943.92	3.52%	(9.04)	13.26%	3,934.88
Zen Medical Technologies Pvt Ltd	Manufacturing of medical devices	0.02%	40.16	-0.01%	(2.23)	0.00%	-	-0.01%	(2.23)
Aituring Technologies Private Limited	Manufacturing of Electronics and Electrical instruments	0.21%	361.06	-0.11%	(33.26)	0.00%	-	-0.11%	(33.26)
Applied Research International Private Limited	Military Training & operations	3.86%	6,701.32	1.72%	513.51	4.27%	(10.94)	1.69%	502.57
ARI Labs Private Limited	Military Training & operations	0.02%	32.13	0.01%	1.86	0.00%	-	0.01%	1.86
Vector Technics Private Limited	Manufacturing of Electronics and Electrical instruments	0.26%	451.02	-0.05%	(14.59)	0.00%	-	-0.05%	(14.59)
Foreign Subsidiaries									
Zen Technologies USA, INC	Training Simulators manufacturing	4.86%	8,445.18	-1.45%	(434.71)	36.38%	(93.35)	-1.78%	(528.06)
Zen Defence Technologies L.L.C, UAE	Training Simulators manufacturing	0.02%	27.97	-0.01%	(2.65)	0.00%	-	-0.01%	(2.65)
Total		110.30%	1,91,478.37	101.11%	30,266.90	100.00%	(256.62)	101.12%	30,010.28
Consolidation adjustments		-10.30%	(17,887.35)	-1.11%	(333.44)	0.00%	-	-1.12%	(333.44)
Net amount		100.00%	1,73,591.01	100.00%	29,933.46	100.00%	(256.62)	100.00%	29,676.84

53. GROUP INFORMATION (Contd.)

Name of the entity	Principal activities	As at 31 March 2024							
		Net Assets i.e., total assets minus total liabilities		Share in profit and loss		Share in Other Comprehensive income		Share in total Comprehensive income	
		%	Amount	%	Amount	%	Amount	%	Amount
Holding Company									
Zen Technologies Limited	Military Training & operations	97.18%	45,312.84	99.79%	12,923.45	-102.23%	(55.97)	98.94%	12,867.48
Indian Subsidiaries									
Unistring Tech Solutions Private Limited	Development of electronic warfare solutions	5.55%	2,586.06	2.55%	330.57	3.60%	1.97	2.56%	332.55
Zen Medical Technologies Pvt Ltd	Manufacturing of medical devices	0.09%	42.40	-0.04%	(4.62)	0.00%	-	-0.04%	(4.62)
Aituring Technologies Private Limited	Manufacturing of Electronics and Electrical instruments	0.85%	394.31	0.00%	-	0.00%	-	0.00%	-
Foreign Subsidiaries									
Zen Technologies USA, INC	Training Simulators manufacturing	0.68%	318.52	-1.12%	(145.01)	198.63%	108.75	-0.28%	(36.26)
Foreign Subsidiaries									
Zen Defence Technologies L.L.C, UAE	Training Simulators manufacturing	0.07%	30.63	-0.02%	(2.58)	0.00%	-	-0.02%	(2.58)
Total		104.41%	48,684.77	101.17%	13,101.81	100.00%	54.75	101.16%	13,156.56
Consolidation adjustments		-4.41%	(2,055.61)	-1.17%	(151.37)	0.00%	-	-1.16%	(151.37)
Net amount		100.00%	46,629.17	100.00%	12,950.44	100.00%	54.75	100.00%	13,005.19

As per our report attached of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number: 010396S/S200084

For and on behalf of the Board of Directors of
Zen Technologies Limited

Murali Krishna Reddy Telluri
Partner
Membership Number: 223022

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M.Ravi Kumar
Whole Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

Sourav Dhar
Company Secretary
M.No. A63455

Place: Hyderabad
Date: 17 May 2025

Place: Hyderabad
Date: 17 May 2025



📍 B-42, Industrial Estate, Sanath Nagar,
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