

July 30, 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- 400001

Symbol/Security ID: ZENTEC

Security Code: 533339

Dear Sir/Madam,

Sub: Monitoring Agency Report for QIP - Quarter ended June 30, 2025

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed herewith the Monitoring Agency Report dated July 30, 2025 issued by CRISIL Rating Limited (Monitoring Agency), for the quarter ended June 30, 2025 in respect of utilization of proceeds of the Qualified Institutional Placement ('QIP') of the Company.

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

Monitoring Agency Report
for
Zen Technologies Limited
for the quarter ended
June 30, 2025

CRL/MAR/ ZETELI/2025-26/1442

July 30, 2025

To
Zen Technologies Limited
B-42, Industrial Estate, Sanath Nagar,
Hyderabad 500 018,
Telangana, India

Dear Sir,

Monitoring Agency Report for the quarter ended June 30, 2025 - in relation to the Qualified Institutional Placement ("QIP") of Zen Technologies Limited ("the Company")

Pursuant to Regulation 173A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated August 21, 2024, enclosed herewith the Monitoring Agency Report, issued by Crisil Ratings Limited, Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of QIP for the quarter ended June 30, 2025.

Request you to kindly take the same on records.

Thanking you,
For and on behalf of Crisil Ratings Limited


Shounak Chakravarty
Director, Ratings (LCG)

Report of the Monitoring Agency (MA)

Name of the issuer: Zen Technologies Limited

For quarter ended: June 30, 2025

Name of the Monitoring Agency: Crisil Ratings Limited

(a) Deviation from the objects: Not applicable

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature: 

Name and designation of the Authorized Signatory: Shounak Chakravarty

Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

1) Issuer Details:

Name of the issuer: Zen Technologies Limited

Names of the promoter:
a. Kishore Dutt Atluri
b. Ashok Atluri
c. Ravi Kumar Midathala

Industry/sector to which it belongs: Aerospace and defence

2) Issue Details

Issue Period: Wednesday, August 21, 2024, to Friday, August 23, 2024

Type of issue (public/rights): Qualified Institutional Placement (QIP)

Type of specified securities: Equity Shares

QIP Grading, if any: NA

Issue size: Issue size comprises of gross proceeds of Rs 1,00,000.00 lakhs (Net proceeds of Rs 97,943.00 lakhs*)

**Crisil Ratings shall be monitoring the net proceeds amount.*

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information/certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Management undertaking, Peer-reviewed ICA Certificate^, Placement document dated August 23, 2024 ("Offer Document"), Bank Statements	No Comments	No Comments

Particulars	Reply	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	Management Undertaking, Peer-reviewed ICA Certificate^	No Comments	No Comments
Whether the means of finance for the disclosed objects of the issue has changed?	No		No Comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	No		No Comments	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA		No Comments	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA		No Comments	No Comments
Are there any favorable events improving the viability of these object(s)?	No		No Comments	No Comments
Are there any unfavorable events affecting the viability of the object(s)?	No		No Comments	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No		No Comments	No Comments

NA represents Not Applicable

^Certificate dated July 22, 2025, issued by M/s NSVR & Associates LLP, (Firm Registration Number: 008801S), Peer-reviewed Independent Chartered Accountant.

4) Details of object(s) to be monitored:

i. Cost of the object(s):

Sr. No.	Item Head	Source of information/certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in lakhs)	Revised Cost (Rs in lakhs)	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Funding working capital requirements of the Company	Management undertaking, Peer-reviewed ICA Certificate [^] , offer document	41,000.00	41,000.00	No revision	No Comments		
2	Funding inorganic growth through acquisitions and other strategic initiatives		35,000.00	35,000.00	No revision	No Comments		
3	General corporate purposes [#]		21,943.00	21,950.77	Refer Note1	No Comments		
	Total	-	97,943.00	97,950.77	-	-		

Note 1: During the quarter ended March 31, 2025, net proceeds have been revised from Rs 97,943.00 lakhs to Rs 97,950.77 lakhs, as the actual issue expenses were lower than the estimated amount, hence the unspent Issue expenses was added towards object of the issue (GCP). Consequently, GCP has been revised from 21,943.00 lakhs to Rs 21,950.77 lakhs.

^Certificate dated July 22, 2025, issued by M/s NSVR & Associates LLP, (Firm Registration Number: 008801S), Peer-reviewed Independent Chartered Accountant.

#The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds (amounting to Rs 25,000.00 lakhs) from the Fresh Issue.

(ii) Progress in the object(s):

Sr. No.	Item Head#	Source of information/certifications considered by Monitoring Agency for preparation of report	Revised Amount as proposed in the Offer Document (Rs in lakhs)	Amount utilized (Rs in lakhs)			Total unutilized amount (Rs in lakhs)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Funding working capital requirements of the Company	Management undertaking, Statutory Auditors Certificate^, Offer Document, Bank Statements	41,000.00	37,125.64	3,772.47	40,898.11	101.89	Refer Note 2	No Comments	
2	Funding inorganic growth through acquisitions and other strategic initiatives		35,000.00	10,569.84	1,535.62	12,105.47	22,894.53	Refer Note 3	No Comments	
3	General corporate purposes		21,950.77	9,316.18	402.49	9,718.67	12,232.10	Refer Note 2	No Comments	
	Total		97,950.77	57,011.66	5,710.58	62,722.24	35,228.53	-	-	

^Certificate dated July 22, 2025, issued by M/s NSVR & Associates LLP, (Firm Registration Number: 008801S), Peer-reviewed Independent Chartered Accountant.

Note 2: The Company had transferred Rs 63.32 lakhs from its monitoring account to its other current and cash credit accounts held with HDFC bank and ICICI bank for end utilization towards the working capital requirements and GCP for operational ease.

Note 3: During the reported quarter, the company has utilised issue proceeds to acquire controlling stake in TISA Aerospace Private Limited & Vector Technics Private Limited ("Vector"), in line with the inorganic growth strategy, the brief details of the acquisitions as per corporate disclosures dated June 21st, 2025 & February 14th, 2025, are given below

1. 4,00,000 (Four Lakh) numbers of 6% Compulsory Convertible Debentures (CCDs) of face value of Rs. 100/- of **TISA Aerospace Private Limited ("TISA")** from Indukuri Sidharth Reddy for a total consideration of Rs 405.82 lakhs post TDS. Pursuant to conversion of abovementioned CCDs 335,806 equity shares allotted to Zen Technologies Limited.
2. 54.67% of the total equity paid up share capital of **TISA Aerospace Private Limited ("TISA")** from Kiran Kumar Vagga that is 206,518 equity shares for a total consideration of Rs 249.80 Lakhs post TDS.
3. Further, during the reported quarter, the company has paid first call and second call money totaling Rs 879.99 Lakhs to **Vector Technics Private Limited ("Vector")** for subscribing 8143 equity shares, together with the earlier purchase of 1110 fully paid shares in Feb 2025. The company holds 51% of the equity share capital of Vector.

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
Funding working capital requirements of the Company	The Company proposes to utilize Rs 41,000 lakhs from the Net Proceeds to fund the working capital requirements of the Company in Fiscal 2025 and Fiscal 2026. The Company has working capital requirements in the ordinary course corresponding to its growing business and revenues, which it typically funds through internal accruals and availing financing facilities from various lenders. As at June 30, 2024, the Company has not availed any working capital facilities and is funding the requirements from internal accruals.
Funding inorganic growth through acquisitions and other strategic initiatives	The Company proposes to deploy, up to Rs 35,000.00 lakhs, towards funding inorganic growth through acquisitions and other strategic initiatives. The amount of Net Proceeds to be used for acquisitions will be based on Company's management's decision and may not be the total value or cost of any such acquisitions but is expected to provide with sufficient financial leverage to pursue such acquisitions.
General corporate purposes	Details on "GCP" as per Placement document: General corporate purposes may include, but are not restricted to, (i) meeting fund requirements which the Company may face in the ordinary course of business, (ii) capital expenditure, (iii) strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, (iv) investment in associates, joint ventures and subsidiary through organic initiatives, (v) meeting exigencies and expenses, logistics expenses, installation expenses, and (vi) any other purpose as may be approved by the Board of Directors of the Company or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013. The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

iii) Deployment of unutilised proceeds^:

(Rs in lakhs)

S. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market value as at the end of quarter (if the market value is not feasible, provide NAV/NRV/Book value of the same)
1	ICICI Bank - FD Ac No.466213000254	10,000.00	29-08-2025	656.43	7.83	10,656.43
2	Axis Bank - FD Ac No.924040090949642	10,200.00	29-08-2025	650.75	7.61	11,850.75
3	Axis Bank - FD Ac No.924040090952787	14,900.00	29-08-2025	950.60	7.61	15,850.60
4	ICICI Bank - Monitoring Account Balance	128.53	-	-	-	128.53
	Total	35,228.53		2,257.79		37,486.32

^On the basis of Management undertaking and certificate dated July 22, 2025 issued by M/s NSVR & Associates LLP, (Firm Registration Number: 008801S), Peer-reviewed Independent Chartered Accountant.

iv) Delay in implementation of the object(s):

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Proposed course of action
Not applicable^					

^On the basis of Management undertaking and certificate dated July 22, 2025, issued by M/s NSVR & Associates LLP, (Firm Registration Number: 008801S), Peer-reviewed Independent Chartered Accountant.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

S. No.	Item heads	Amount (Rs in lakhs)	Remarks
1	Capital Expenditure	140.68	Purchase of Fixed Assets
2	Logistics	182.24	Freight Inward & Outward expenses
3	Strategic Initiatives	79.57	Exhibition Exp & Advisory Services
	Total	402.49	

^On the basis of Management undertaking and certificate dated July 22, 2025, issued by M/s NSVR & Associates LLP, (Firm Registration Number: 008801S), Peer-reviewed Independent Chartered Accountant.

Disclaimers:

- a) *This Report is prepared by Crisil Ratings Limited (hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.*
- b) *This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like Independent Chartered Accountant s (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.*
- c) *Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.*
- d) *The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.*
- e) *The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer, or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.*
- f) *The MA report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRL providing or intending to provide any services in jurisdictions outside India, where it does not have the necessary licenses and/or registration to carry out its business activities referred to above.*
- g) *Access or use of this report does not create a client relationship between CRL and the user.*
- h) *CRL is not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing this report, MA has not taken into consideration the objectives or particular needs of any particular user.*
- i) *It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be a basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).*
- j) *The report comprises professional opinion of CRL as of the date they are expressed, based on the information received from the issuer and other sources considered reliable by CRL. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. The*

report does not constitute statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions.

- k) Neither CRL nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents guarantee the accuracy, completeness or adequacy of the report, and shall not have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. CRL and each aforesaid party disclaims any and all express or implied warranties, including but not limited to any warranties of merchantability, suitability or fitness for a particular purpose or use or use. In no event shall CRL or any aforesaid party be liable to any user for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.*
- l) CRL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with the preparation of this report. CRL has in place a code of conduct and policies for managing conflict of interest.*
- m) Unless required under any applicable law, this report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRL.*
- n) By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report.*