ANNUAL REPORT
2025-26

ZEN TECHNOLOGIES
being there...

SCRIPTING A NEW CHAPTER IN DEFENCE-TECH INNOVATION

Atmanirbhar Bharat In Action



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FY26 at a Glance

(₹ in Crore)

687.69
Revenue from Operations

332.66
EBITDA

193.45
Profit After Tax

1,336.04
Order book as at 31 March 2026

SCRIPTING A NEW CHAPTER IN DEFENCE-TECH INNOVATION

India's defence sector is being reshaped by a national commitment to design, develop and manufacture at home. Zen Technologies Limited has followed this path since 1993, building indigenous, IP-owned technologies for the training and readiness of the armed forces.

FY26 was a year of measured progress on that journey. The Company broadened from a defence training and simulation specialist into a diversified defence technology company serving India's indigenous requirements across simulation, counter-drone systems, weapon platforms and robotics. This report sets out how that capability is taking shape and how it supports the country's self-reliance in defence.

Forward Looking Statement

This report contains forward-looking statements about the Company's strategy, operations and prospects. These are based on current expectations and assumptions and are subject to risks and uncertainties. Actual results may differ, and the Company undertakes no obligation to update these statements.

ABOUT THE COMPANY

OWNED BY INDIA, **TRUSTED GLOBALLY**

Zen Technologies Limited is one of India's leading indigenous defence technology companies. Its purpose is to keep those who defend the nation ready for modern conflict. The Company designs, develops and manufactures its own technologies and retains ownership of the underlying intellectual property.

Founded in 1993 in Hyderabad, the Company began by building simulators for the Indian Army. Over three decades it has grown into a diversified defence technology company, listed on the BSE and the NSE, with capabilities across training and simulation, counter-drone systems, weapon platforms, combat robotics and naval simulation. This evolution has been built on sustained, self-funded research and a consistent focus on indigenous ownership.

The Company's technologies are used by the Indian armed forces, central and state police organisations and a growing number of customers abroad. Its counter-drone systems were deployed during Operation Sindoor, and its training systems are in service across the country. This combination of indigenous ownership and combat-relevant technology has made the Company a trusted partner at home and a credible one in export markets across the Middle East, the CIS countries and South-East Asia.

Vision

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

Mission

To enhance the combat readiness of armed forces through innovative, cost-effective and sustainable training solutions, and to advance technology continuously, creating indigenous products that set new benchmarks in defence training and security.

Zen at a glace

30+
Years of experience

1,798
Consolidated team members

94
Patents granted to date

1,000+
Training systems shipped worldwide

~₹1,336 Crore
Order book as at 31 March 2026

₹139.11 Crore
Invested in R&D over the last five years



THE TRIUMPH OF OPERATION SINDOOR

THE TRIUMPH OF **OPERATION SINDOOR**

During Operation Sindoor, the armed forces faced large-scale drone and swarm attacks across the western and northern fronts. The Company's indigenous Counter-UAS system was among the equipment deployed, and it performed with distinction. This is the story of a technology built at home, proven in real combat.



The Capability We Built

The Company's Counter-UAS system was designed on a simple judgement, that a determined adversary would not confine its drones to the commercial frequency bands that most systems are built to jam. The system was therefore engineered to detect and jam a wide range of drone data links well beyond the commercial 2.4 GHz and 5.8 GHz spectrum.

- A multi-layer, multi-sensor architecture combining RF-based detection, radar and electro-optical sensors, capable of detecting even autonomous drones that fly without a link to a ground operator.
- Hawkeye, an AI-powered multi-sensor camera that lifts drone detection to 15 km, up from the earlier 7 to 8 km, with tracking accuracy of plus or minus 0.5 mrad.
- Hard-kill through in-service air defence guns, including the L-70, ZU-23 and Schilka, and AI-powered Remote Controlled Weapon Stations such as Barbarik and Parashu.
- VyomKavach, a hybrid Counter-UAS system combining AI, RF and rotary guns for swarm threats and high-end UAVs.

How It Was Deployed

The system is rugged and highly mobile. It operated across the full range of Indian terrain, from the high-altitude posts of the northern and north-eastern borders to the deserts of the western front.

During the operation it detected up to 100 drone threats at a time with a response time of under 0.1 seconds, and it identified and neutralised hundreds of drones and swarm drones. As the adversary shifted to non-commercial frequencies, the wide-band design allowed the system to detect and defeat threats that conventional solutions missed.

What It Achieved

The weapons the Company fielded were 100% indigenous and the result of self-funded research. They helped blunt the drone-based threat and protected forces and assets across both fronts. The operation also validated the Company's approach in the field and accelerated demand.

Up to 100
Drone threats detected simultaneously

Under 0.1 sec
Response time

15 KM
Hawkeye detection range, up from 7 to 8 km

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

COMBAT PROVEN AND **GLOBALLY READY**

Dear Shareholders,

FY26 was a year of steady, deliberate progress for Zen Technologies Limited. Over the past two to three years we have broadened the Company from a leader in defence simulation to include counter drone systems and allied technologies include counter drone systems and allied technologies .



We can today offer the armed forces five capabilities, namely training simulation and systems, counter-drone solutions, automated weapon stations, combat robotics and drones. This has been built through sustained investment and a series of acquisitions and partnerships over several years, and FY26 was the year in which the breadth of that capability became clear.

The past year has reminded the world that preparedness is no longer a choice. Recent conflicts have changed the economics of warfare. When a low-cost drone can be met only by a far more expensive interceptor, the mathematics of defence breaks down. The lesson is clear. Layered anti-drone systems, combining software jamming with affordable hard-kill options, and well-trained, combat-ready forces are now central to national security. These are the two areas in which we have built deep capability over three decades.

Operation Sindoor and Indigenous Capability

The clearest validation of our owned-by-India philosophy came during Operation Sindoor. While conventional counter-drone solutions often struggle against non-standard frequency bands, our Counter-UAS system was engineered on the expectation that sophisticated adversaries would operate outside commercial spectrums. It detected and neutralised hundreds of hostile drones and swarm drones, and supported the armed forces at a decisive moment. The operation confirmed that fully indigenous intellectual property, created for the specific requirements of Bharat, is a reliable shield for our forces.

This experience has shaped our product roadmap. During the year we widened the frequency coverage of our anti-drone systems to stay ahead of adversaries who now operate at unconventional frequencies, strengthened our neutralisation options across RF and GNSS jamming, weapon stations and air defence gun integration, and developed an anti-drone simulator so that forces can rehearse against single drones and swarms in a realistic virtual environment.

A Broadening Product Portfolio

We launched a series of new platforms during the year and in the period that followed. Vrishabh, our unmanned ground vehicle, carries a payload of 150 kilograms over a range of up to 100 kilometres for combat, logistics and casualty evacuation, with indigenous content above 85%. Hyperstrike, our loitering strike platform, offers an affordable answer to the high-cost interceptor problem, with a speed of up to 400 kilometres per hour and a five-minute loiter-and-strike capability. Working with our associate AI Turing, we introduced a 30 mm programmable ammunition and a compact gun-and-missile system for naval forces. Each of these products addresses a capability gap that current operational realities have brought into focus.

A defining feature of the year was the contribution of our subsidiaries and associates. Companies such as Applied Research International, Vector Technics, Bhairav Robotics and AI Turing added to consolidated revenue and earnings and validated the capital allocation decisions we have made over the years. Our role has evolved into that of a platform for indigenous defence technology, bringing together a group of specialist companies and giving them the support to meet the country's requirements.

Recognition During the Year

Our work was recognised during the year with the CII Best Patent Portfolio Award 2025, and we achieved the highest Dun and Bradstreet rating of 5A1, reflecting our financial strength to handle large government contracts. The Company also received a government licence under the Arms Act for the manufacture of specified weapon systems, together with an ammunition licence, marking an important step in our evolution towards counter-UAS technologies.

Financial Performance

FY26 presented a more measured profile than the exceptional growth of the previous year. Consolidated revenue was ₹687.69 crore, compared with ₹973.64 crore in FY25. Operational EBITDA was ₹247.24 crore, at a margin of 35.95%, and reported EBITDA was ₹332.66 crore. Profit after tax was ₹193.45 crore after adjusting for non-controlling interests, against a reported profit after tax of ₹217.93 crore. These results should be read within the context of the defence sector's procurement cycles. The strong revenue base of FY25 was driven by concentrated order execution, whereas FY26 saw order conversion timing extend beyond our expectations, with the bulk of recent orders scheduled for execution from FY27. Our long-term guidance of a 35% operational EBITDA margin and a 25% profit-after-tax margin remains intact.

A Strong Order Book

We closed the year with a consolidated order book of ₹1,336.04 crore, including new order inflows of ₹431.36 crore secured during the fourth quarter alone. The standalone order book stood at ₹1,222.6 crore. The majority of the order book is scheduled for execution from FY27, and about ₹1,000 crore is expected to convert into revenue during that year. We maintained a strong balance sheet, with cash and bank balances of ₹1,308 crore and a debt-free position. We remain confident of our guidance of ₹4,000 crore of cumulative turnover across FY27 and FY28.

Looking Ahead

The global defence environment is undergoing structural change, and India's continued emphasis on indigenisation and self-reliance provides a strong foundation for domestic companies focused on innovation and IP ownership. For innovators such as the Zen, the draft Defence Acquisition Procedure 2026 is a significant document. We expect it to compress the procurement cycle considerably and to open new growth opportunities for companies that have built genuine indigenous capability and intellectual property. We also expect order wins to begin flowing through in the near term.

On behalf of the Board, I thank our armed forces, customers, shareholders, employees and partners for their continued trust. Their confidence inspires us to keep building technologies that contribute to India's long-term defence preparedness and security.

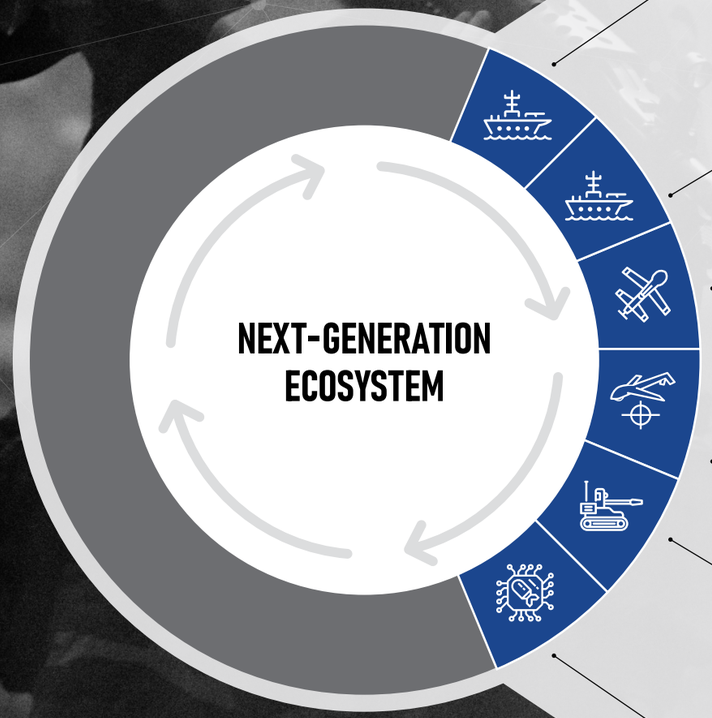
> Swadeshi is not only manufacturing. It is design, develop and manufacture in Bharat. Bharat should aim to be the research laboratory of the world, not the factory of the world.

Warm regards,

Ashok Atluri
CHAIRMAN AND MANAGING DIRECTOR
Zen Technologies Limited

PRODUCT PORTFOLIO THROUGH ACQUISITIONS

BUILDING THE NEXT-GENERATION ECOSYSTEM



As defence technologies move towards autonomous, AI-enabled and multi-domain operations, the Company is expanding beyond conventional simulation to build an integrated indigenous defence technology ecosystem. Through focused acquisitions, associates and strategic investments, it is strengthening its presence across naval simulation, autonomous systems and aerospace technologies.

Applied Research International (ARI) and ARI Labs

Core Capability
Naval simulation, marine and offshore training systems

Strategic opportunity
Extends capabilities into maritime and naval operational-readiness systems

Anawave Systems and Solutions

Core Capability
Naval simulation, including tactical trainers and submarine simulators

Strategic opportunity
Deepens naval training capability and, with ARI, supports an integrated Naval Training Centre, with strong overseas demand

Vector Technics

Core Capability
UAV propulsion and power-distribution systems

Strategic opportunity
Supports indigenous development of drone and unmanned aerial technologies

TISA Aerospace

Core Capability
Loitering munitions and autonomous aerial systems

Strategic opportunity
Extends capabilities in tactical drone and strike platforms

Bhairav Robotics

Core Capability
Autonomous ground systems, robotic platforms and weapon systems

Strategic opportunity
Strengthens AI-enabled autonomous operational technologies

AI Turing Technologies (associate)

Core Capability
Defence electronics and emerging operational technologies

Strategic opportunity
Supports expansion across advanced defence systems

Multi-Domain Presence	**Indigenous Technology Development**	**AI & Autonomous Systems**	**Integrated Defence Architecture**	**Future ready Growth Platform**

PRODUCT PORTFOLIO

ADVANCING DEFENCE PREPAREDNESS THROUGH TECHNOLOGY

The evolving character of modern warfare has increased the importance of technologies that strengthen operational preparedness, situational awareness and training effectiveness. Simulation-based training, integrated combat environments and counter-unmanned aerial technologies are now central to defence preparedness.

Training Solutions and Live Ranges

Our live ranges bridge the firing range and the battlefield, offering instrumented environments for precision marksmanship and tactical training. Troops practise marksmanship, tactical situations and missions with live ammunition under conditions close to real-world scenarios.



Smart Target System (Zen STS®) with LOMAH™, an electro-mechanical, software-driven acoustical projectile detection and reporting system for day and night firing.

Multi-Functional Target System (MFTS®), a portable, programmable system for versatile targets, for use at outdoor and indoor ranges.

Tank Targets, static and moving tank target systems for range and tactical firing practice.

Containerised Tubular Shooting Range (CTSR), a compact, secure indoor alternative to live firing that can be extended with additional containers.

Containerised Indoor Shooting Range (CISR), a self-contained, transportable live-fire facility built with acoustic and ricochet materials.

Containerised Small Arms Firing Range (CSAFR), a modular live-fire range offering realism, zero danger area and rapid deployment for military, police and paramilitary use.

Shoot House, a secure indoor facility for training security personnel to neutralise threats in a closed environment.

Air-to-Ground Firing Range Scoring System, which deploys targets, tracks their movement and records hit-and-miss scores for air-to-ground weapons delivery.

Live Simulation

Armour Combat Training System (Zen ACTS™), a programmable electro-mechanical system for versatile targets, for outdoor and indoor ranges.

TACSIM® Tactical Engagement Simulator, which trains soldiers in field craft, battle drills and live-fire practice, and suits commando units, special forces, training centres and law-enforcement agencies.



Simulators for Virtual Training

Virtual simulation is a key offering, providing controlled, cost-effective training that allows many personnel to train simultaneously without compromising quality.



Advanced Weapons Simulator (AWESIM®), which recreates a small-arms firing range indoors for recruits, special forces and commandos.

Infantry Weapons Training Simulator (IWTS®), a modular wireless system for marksmanship and battle handling of weapons, individually and up to a section.

Combat Weapons Training Simulator (CWTS), an indoor simulator that enhances firing skills across infantry weapons with future-ready upgrade capability.

Medium Machine Gun Simulator (MMG SIM), an interactive indoor aid for engagement techniques, fire control and tactical employment.

Automatic Grenade Launcher Simulator (AGL SIM), a complete training solution for automatic grenade launcher crews.

81mm Mortar Integrated Simulator, which builds proficiency in operating and firing the 81mm mortar.

Anti-Tank Guided Missile Simulator (ATGM SIM), which trains operators in handling and firing missiles, with real-time performance tracking.

Artillery Forward Observers' Simulator (ARTYFOS), which trains observers who direct long-range, indirect fire.

Anti-Aircraft Air Defence Simulator (3ADS), which trains operators on laying procedures in simulated and field conditions.

Integrated Air Defence Combat Simulator (Zen IADCS), which trains L-70 and ZU-23-2 gun crews with realistic weapon handling and battle scenarios.

Armoured Vehicle Simulators

Tank Driving Simulator, a containerised simulator offering progressive training for T-90 tank operations across diverse terrains.

Tank Crew Gunnery Simulator, a gunnery training simulator for T-90 tank gunner trainees.

IFV/APC Driving Simulator, a high-fidelity simulator with six-degrees-of-freedom motion, improving safety and reducing cost.

IFV/APC Crew Gunnery Simulator, which replicates actual controls to improve weapon handling and targeting for gunner and commander training.



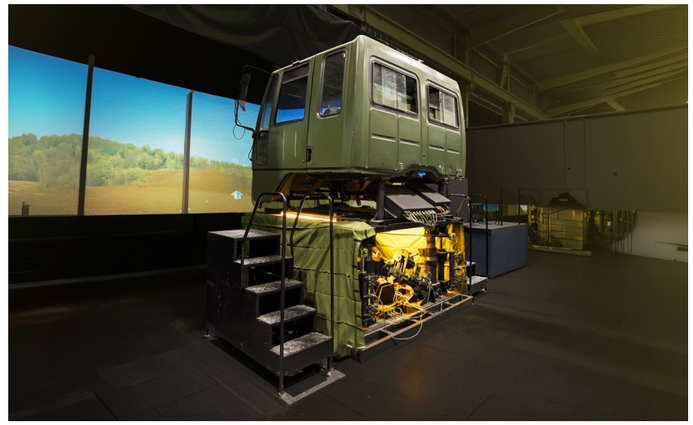
Infantry Combat Vehicle Driving Simulator (BMP II DS), which trains recruits and drivers to operate the ICV or APC.

BMP II Integrated Missile Simulator (BMP II IMS), which trains gunners and commanders in handling and firing different weapon systems.

Vehicle Driving Simulators

Driving Training Simulator (Zen DTS®), a versatile indoor system for light, medium and heavy vehicle drivers, with a to-scale cabin and actual controls.

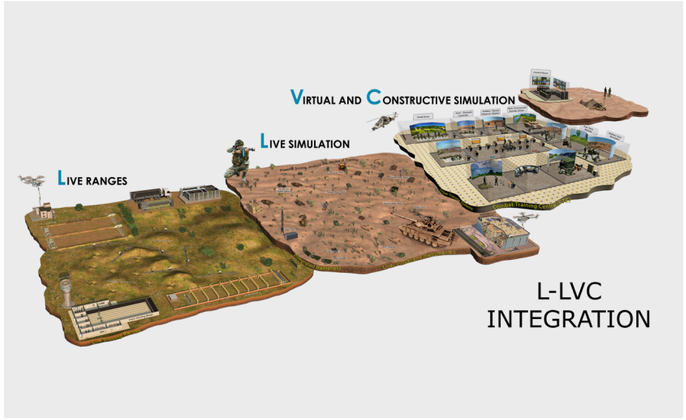
Driver Aptitude Testing System (Zen DATS), which tests alertness, depth perception, peripheral and night vision, and recovery from glare.



Combat Training Centres

Our Combat Training Centres bring together live, virtual, constructive and mixed-reality systems to develop and maintain combat-ready soldiers.

They can simulate offence, defence and stability operations, and support joint power projection, ground manoeuvre, air operations, fire support and logistics. The centres feature instrumented range areas, simulation facilities and a dedicated opposing force to provide a capable adversary for training.



INNOVATION

ENGINEERING THE **UNASSAILABLE**

At the Company, research and development is a core part of our identity. Our owned-by-India philosophy holds that the design of a product is a national strategic asset, and we work to keep ownership of that design in India.

The Science of Savings

To establish the environmental signatures of its simulators scientifically, the Company commissioned TERI, The Energy and Resources Institute, in March 2023 to carry out a joint study. The first study was launched on World Environment Day, 5 June 2023, and was well received. A second, deeper study has since been completed and is being prepared for launch. It examines a larger set of simulator types, assessing emissions, the net present value of environmental savings and the single-day cost of non-induction. NITI Aayog has also featured the subject of green training.

223
Global and Indian patents filed

61
Designs

195
Trademarks

119
Copyrights

A Record of Self-Funded Innovation

The Company funds its research from its own resources and has invested consistently in developing indigenous technologies over many years. Its units hold accreditation from the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology. Detailed R&D-intensity metrics are provided in the Key Performance Indicators section.



Expanding Our Innovation Footprint

The Company is expanding its research footprint to meet demand for autonomous and aerial defence solutions. A new R&D and manufacturing facility is being developed at the Electronic Manufacturing Cluster in Tuem, Goa, and the Company continues to build its software and AI development capability for combat robotics and autonomous systems.

₹139.11 crore
Cumulative R&D spend over five years

₹45.44 crore
Annual R&D spend, FY26

INNOVATION (CONTD.)

Emerging Autonomous and Intelligent Defence Platforms

The future battlefield is being reshaped by autonomy, artificial intelligence, software-defined systems and rapid-response technologies. The Company is expanding its capabilities across autonomous robotics, advanced aerial systems and cyber-secure operational architectures.

Vrishabh Unmanned Ground Vehicle

Vrishabh is an unmanned ground vehicle supporting autonomous mobility, tactical logistics and remote deployment. It has a payload of 150 kg, a speed of up to 50 km per hour and a range of up to 100 km, and has been integrated with weapon systems including MMG and LMG. Indigenous content exceeds 85%, and commercial launch is planned for FY27.



Hyperstrike Loitering Platform

Hyperstrike is a loitering strike platform with a speed of up to 400 km per hour and a five-minute loiter-and-strike capability over a range beyond 20 km. It combines AI-enabled tracking and guidance with a manual override, carries a proximity payload of about 200 g on a 4 kg airframe, and is designed for scaled production. Its high-speed propulsion system is supplied by Vector Technics.

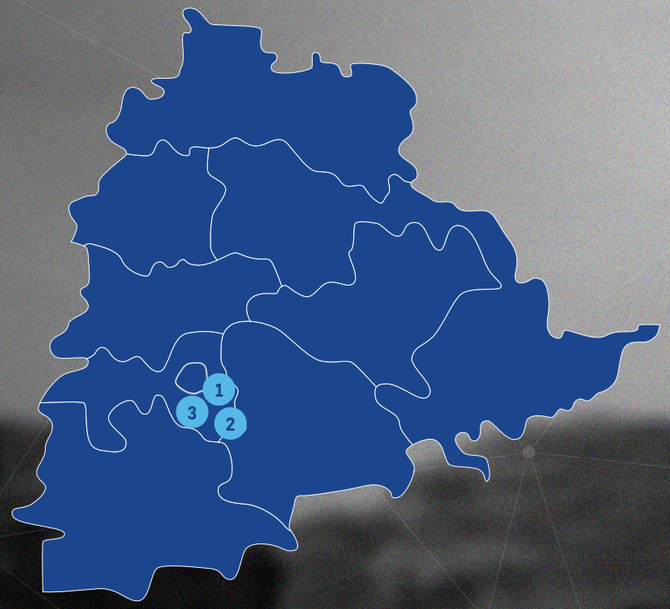
Cyber Security Suite

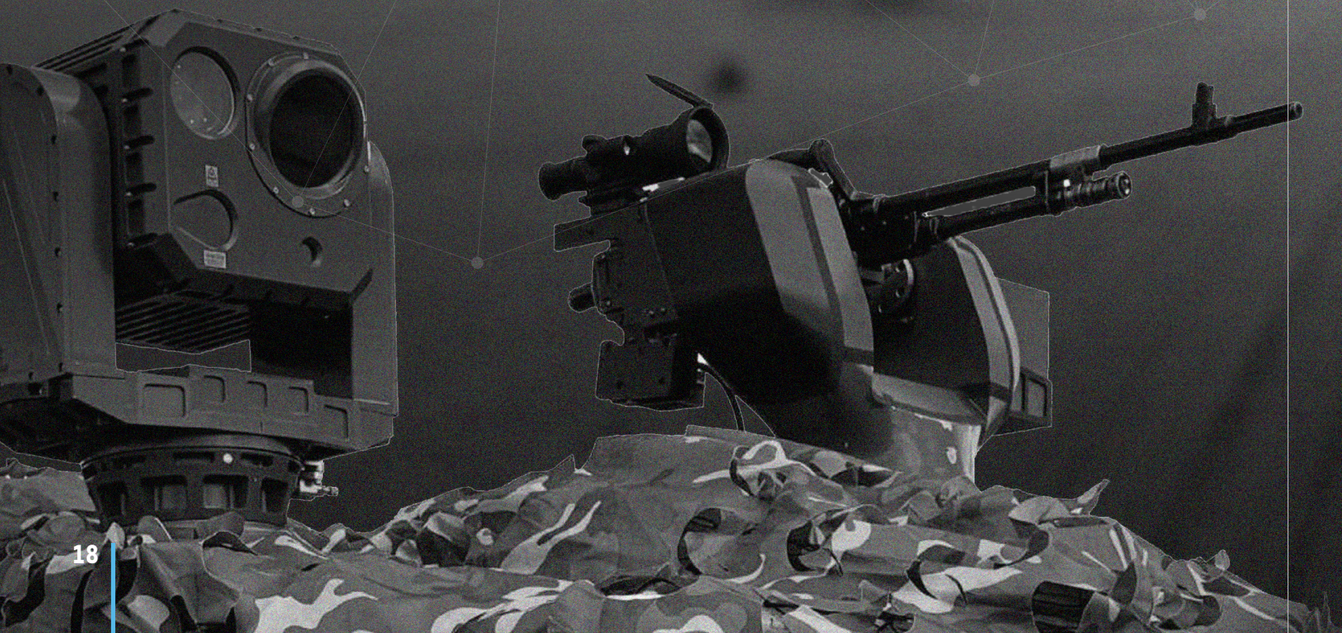
As warfare extends into cyber and network-centric domains, the Company is strengthening its defence-grade cyber security capabilities. Developed with our subsidiaries, the suite is an integrated solution that can be installed at command and control centres, on ships and in aircraft. It is built around six layers, namely awareness and training, monitoring and intelligence, protection and prevention, encryption and data sovereignty, threat perception and response, and post-quantum readiness, and is designed with zero foreign dependencies.

OUR INFRASTRUCTURE

THE FOUNDATION OF ATMANIRBHAR **DEFENCE INNOVATION**

The Company's infrastructure reflects a long-standing commitment to indigenous research and technology development, aligned with India's Atmanirbhar Bharat vision. Its facilities support the complete lifecycle of defence technology development, from concept design to testing, integration and manufacturing.





The following facilities support the Company's research, demonstration and manufacturing activities.



Research and Development Centre, Sanath Nagar, Hyderabad

Our R&D Centre at Sanath Nagar is at the core of our indigenous innovation. Recognised by the Ministry of Science and Technology, it is dedicated to continuous product evolution and the development of our patented technologies, including next-generation simulation platforms and anti-drone architectures.





Demo Centre cum Factory, near Shamshabad Airport

Our demo centre cum factory near Shamshabad Airport serves as a showcase of our capabilities, offering domestic and international clients a hands-on experience of our training ecosystems and counter-drone systems.





Software and AI Development Centre, Kondapur, Hyderabad

With artificial intelligence now central to our portfolio, this centre supports complex algorithmic innovation, including the deep-learning models for our Hawkeye platforms and the adaptive-learning models for our simulators. Recognising the importance of data sovereignty and cyber resilience, our systems are designed, developed and tested in secure, air-gapped environments.





Advanced R&D, EMC Tuem, Goa

Our upcoming facility at the Electronic Manufacturing Cluster in Tuem, Goa.



OUR JOURNEY

A LEGACY OF INNOVATION AND **A FUTURE OF READINESS**

Over three decades, the Company has evolved from a simulation focused enterprise into a diversified defence technology company.

Through sustained investment in research and IP-led product development, it has become a key participant in India's evolving defence technology ecosystem.

FY26 Highlights

FY26 marked the Company's transition into a diversified defence technology company with five capabilities offered to the armed forces.

The year brought battlefield validation of the Counter-UAS system during Operation Sindoor, a consolidated order book of ₹1,336.04 crore, the CII Best Patent Portfolio Award 2025, the highest Dun and Bradstreet rating of 5A1, and the launch of new autonomous and loitering platforms.

1993
Zen Technologies is incorporated, with a vision to advance defence training through simulation technologies.

1996
First breakthrough with the sale of Zen SATSR to the Government of India.

1998
Research and development earns recognition from the Government of India.

2002
Launch of AWeSim, an advanced weapons simulator that set new training benchmarks.

2004
Listing on the Bombay Stock Exchange.

2006
Launch of the BMP Driving Simulator and BMP Integrated Missile simulator.

2008
Pioneers live simulation technologies for more immersive training.

2009
Commissioning of the Maheshwaram unit in Hyderabad.

2011
Launch of the first tank simulator.

2012
Introduction of the UAV Simulator.

2013
Launch of IWTS, ACTS, TZS, MMG and AGL simulators.

2015
Launch of Combat Training Centres and listing on the National Stock Exchange.

2016
Launch of the Containerised Tubular Shooting Range.

2018
Commissioning of the first Artificial Intelligence Centre in Hyderabad.

2019
Becomes debt-free and establishes a wholly owned subsidiary in the USA.

2021
Launch of the Anti-Drone System and a branch office in Abu Dhabi, UAE.

2022
First order for the Anti-Drone System and integration of hard-kill technology.

2025
Completes a Qualified Institutional Placement, records its highest turnover and profitability, and makes strategic acquisitions across marine simulation, drone propulsion and AI-driven robotics.

2026
The Counter-UAS system is combat-proven during Operation Sindoor.

The Company acquires a majority stake in TISA Aerospace, takes full ownership of Applied Research International, receives a government licence under the Arms Act, and launches Vrishabh, Hyperstrike and a defence-grade cyber security suite.

SIGNIFICANT EVENTS

ENGAGING ACROSS STRATEGIC DEFENCE PLATFORMS



During the year the Company participated in key defence conclaves, military conferences and international industry forums, showcasing its indigenous technologies and reinforcing its role in India's defence ecosystem.



10th Edition India Defence Conclave 2025

Delhi, November 2025. The Company showcased its training simulators and counter-drone technologies while engaging with stakeholders from India's defence and security ecosystem.

38th Infantry Commanders' Conference 2025

Infantry School, Mhow, December 2025.
The Company demonstrated indoor and outdoor training solutions, including laser-based force-on-force simulation systems and integrated war-gaming environments featuring more than 50 simulators.





India-Kyrgyz Republic Defence Industry Seminar 2026

Bishkek, Kyrgyzstan, February 2026. The Company participated in this bilateral platform, reflecting the growing international interest in India's indigenous defence technologies.

2nd Edition Industry Interactive Conference and Mini Expo, CAPFs

India, March 2026. Focused on the indigenisation and modernisation requirements of the Central Armed Police Forces, the Company showcased its training systems and counter-drone technologies.



STRATEGIC FOCUS AREAS

POWERING THE FUTURE OF **INDIGENOUS DEFENCE TECHNOLOGIES**

Our mission is to build responsible readiness, ensuring that those who protect our nation are equipped with advanced, reliable and intelligent tools. We continue to invest in our core competencies of indigenous research, human capital, scalable infrastructure and global partnerships.



Enhancing Export Potential

The combat-proven status of our systems has increased interest from international markets. We are expanding our footprint across the Middle East, the CIS countries and South-East Asia, and our partnership with AVT Simulation supports entry into the United States defence market.

Capitalising on Regulatory Tailwinds

The Company is well positioned to benefit from Make in India, positive indigenisation lists and the growing policy focus on IDDM technologies. During the year the Company achieved the highest Dun and Bradstreet rating of 5A1, reflecting its financial strength to handle large-scale government contracts.

Focusing on Green Training and Simulation

Our simulation-based training reduces ammunition consumption, fuel use and environmental impact while maintaining training effectiveness. An independent study by TERI found that 15% penetration of our Infantry Weapon Training Simulator could save the armed forces ₹461.20 crore each year. During the year the Company secured a contract for India's first Combat Training Node at the Infantry School, Mhow.

Strengthening Research and Development Capabilities

We maintain a continuous cycle of innovation, with a current focus on AI-enabled simulation environments, autonomous detection and intelligent decision-support systems. During the year we strengthened our AI-enabled Remote Controlled Weapon Stations, which deliver precision fire without exposing soldiers, and our AI-powered Return Fire Module, which enables remote pose estimation and target gesture recognition in real time.

Expanding the Product Portfolio and Scope

We are expanding across land, air and maritime domains, diversifying beyond land simulation into autonomous robotics, aerospace components, naval simulation and UAV platforms. Our Zen FIST (Futuristic Integrated Solution for Training) digitally integrates tank driving and crew gunnery simulators into a single tactical entity. Prahasta marks our entry into high-risk mine-clearing and counter-insurgency operations.

Leveraging Intellectual Property

Our business model is built on the belief that India must own its intellectual property rather than assemble technology under licence. We safeguard our position by creating high entry barriers through a growing patent portfolio. During the year we secured patents for the Tank Containerised Crew Gunnery Simulator and the Infantry Virtual Training Simulation System.

Advancing Counter-Drone Solutions

Operation Sindoor reinforced the importance of layered counter-drone systems. The Company has developed Hawkeye, an AI-powered multi-sensor camera with detection ranges from 8 km to 15 km. Our hybrid C-UAS integrates AI, RF and rotary machine guns to neutralise swarming drone threats.

Integrating Strategic Acquisitions

The Company integrates new capabilities to compress development timelines. The acquisition of Applied Research International and its group entities has expanded our presence in marine and offshore simulation, while investments in Vector Technics and Bhairav Robotics have strengthened our capabilities in aerospace propulsion and autonomous robotics.

Pursuing Partnerships

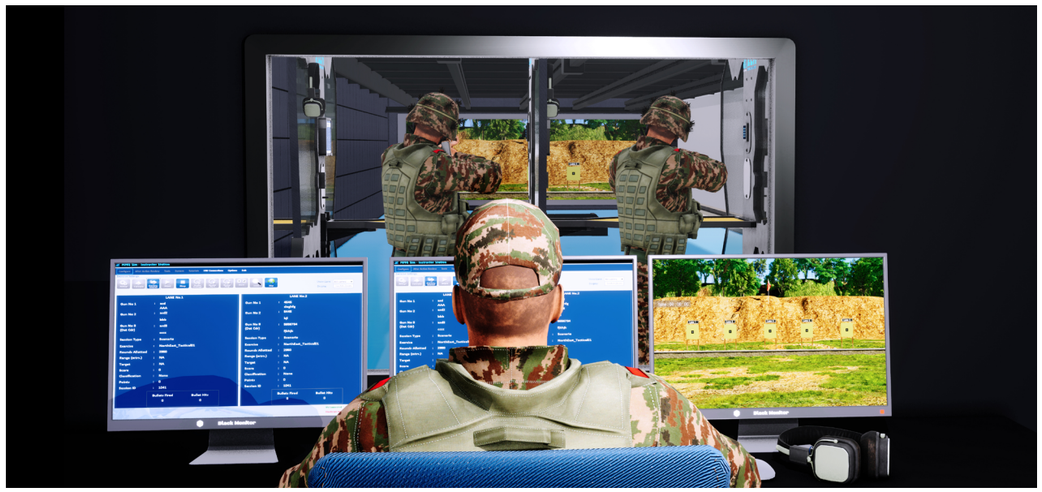
Our strategy to build smart with the right partners supports our move to the next technological threshold. During the year the Company entered a memorandum of understanding with Italy-based TXT Group for advanced pilot training solutions, from part-task trainers to full-flight simulators.

SUSTAINABILITY

ADVANCING THE PARADIGM OF GREEN TRAINING

This spread reflects the Company's Green Training programme. Zen has been at the forefront of spreading awareness on Green Training, an approach that reduces the environmental cost of military training.

Training that does not pollute the atmosphere is called green training, and simulator-based training is inherently green because it dwarfs the need to fire large quantities of live ammunition, the biggest single polluter in field exercises, while also cutting fuel use and greenhouse gas emissions.



The Science of Savings

To establish the environmental signatures of its simulators scientifically, the Company commissioned TERI, The Energy and Resources Institute, in March 2023 to carry out a joint study. The first study was launched on World Environment Day, 5 June 2023, and was well received. A second, deeper study has since been completed and is being prepared for launch. It examines a larger set of simulator types, assessing emissions, the net present value of environmental savings and the single-day cost of non-induction. NITI Aayog has also featured the subject of green training.

Evidence-led Environmental Gains

The studies show that even a small shift of field-mode training to simulation delivers environmental and economic gains worth hundreds of crores.

A representative finding is that a ₹15 crore investment in simulators saves ₹380 crore over 30 years, a return of about 2,500%. Simulator-based training also delivers significant savings in greenhouse gas emissions and reduces the consumption of fuel and live ammunition.

Recognised on a Global Index

The Company's sustainability framework is externally benchmarked. In the S&P Global Corporate Sustainability Assessment for FY 2024-25, which underlies the Dow Jones Sustainability Index, Zen recorded an ESG score of 67, with 61 in Environmental, 72 in Social and 69 in Governance & Economic. The assessment measures performance against industry-specific criteria and against DJSI constituents, placing the Green Training programme within a verified global benchmark.

Building a Centre of Excellence

The Company is establishing a Centre of Excellence for Green Training and Environmental Sustainability. The platform will support specialised education on sustainable defence practices, technological advancement to refine simulation realism, and policy research as a collaborative forum on green technology in the defence sector.

METRIC	INDIVIDUAL LIGHT VEHICLE SIMULATOR	TANK DRIVING TRAINING SIMULATOR	FIELD CREW GUNNERY SIMULATOR
CO_2 Abatement	103 tonnes over 15 years	1,919 tonnes over 30 years	3,676 tonnes over 30 years
Financial Savings	₹56 lakh over 15 years	₹136.34 crore per annum	₹381.2 crore per annum
Return Potential	Significant lifecycle cost reduction	2,500% savings over 10 years for integrated fleets	Optimised NPV for large-scale induction

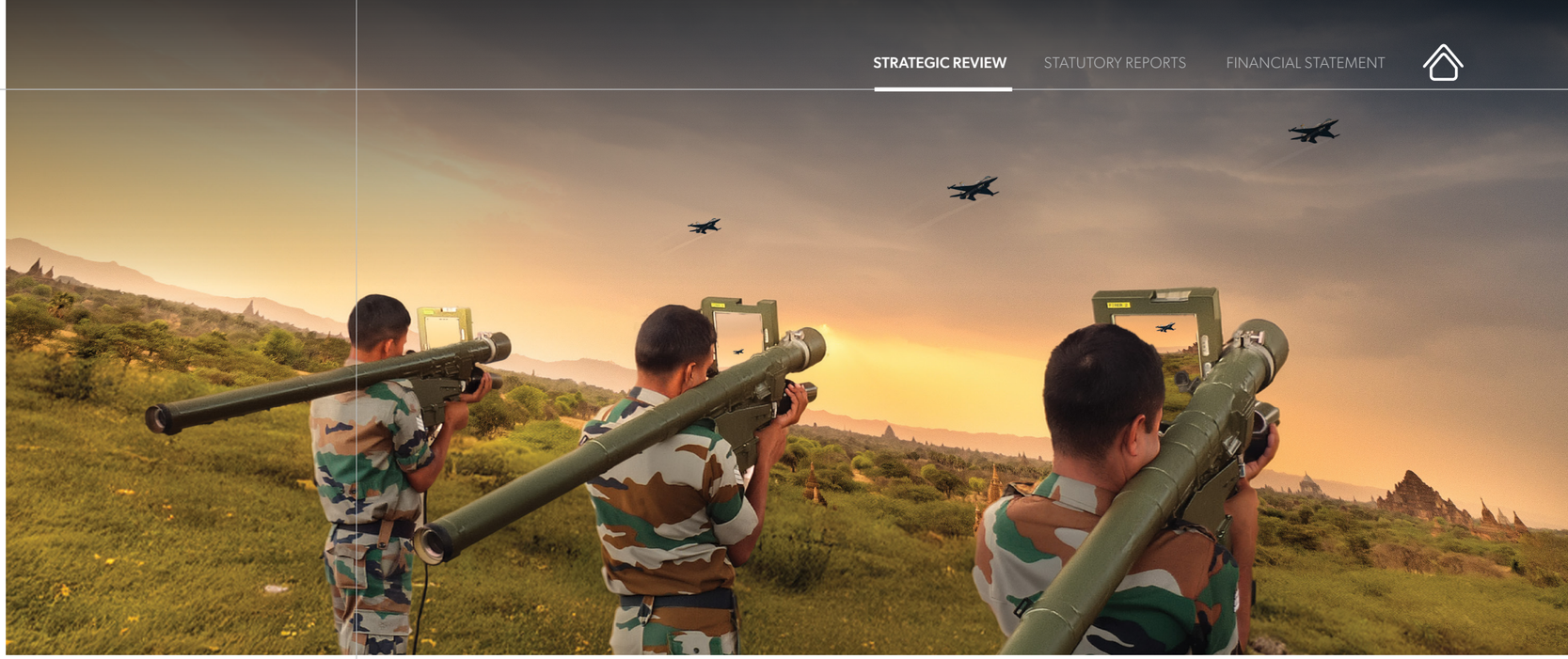
Source: TERI joint study on Green Training.



KEY PERFORMANCE INDICATORS

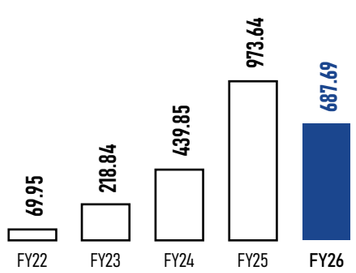
YEARS IN NUMBERS

A five-year view of the Company's key financial indicators. All rupee figures are in crore.



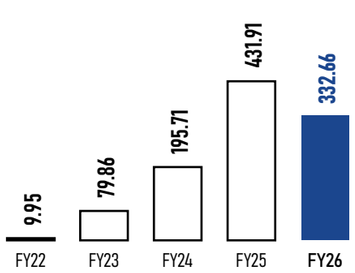
Revenue From Operations

(₹ in Crore)



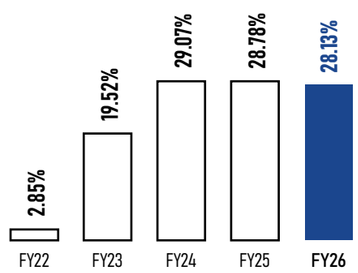
EBITDA

(₹ in Crore)



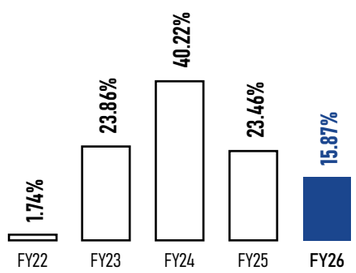
PAT Margin

(In %)



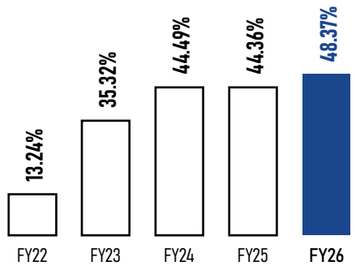
Return on Capital Employed

(In %)



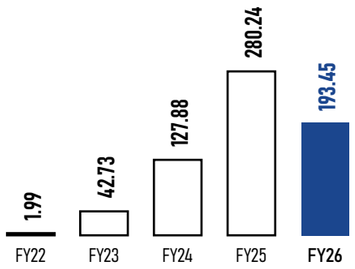
EBITDA Margin

(In %)



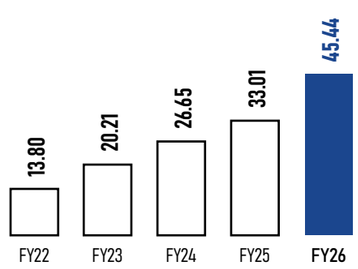
Profit After Tax

(₹ in Crore)



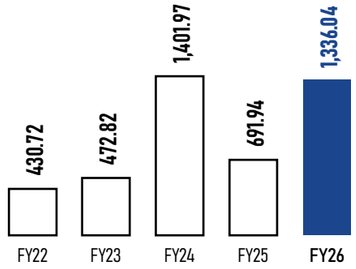
R&D Expenditure

(₹ in Crore)



Order Book Status

(₹ in Crore)



BOARD OF DIRECTORS

BOARD OF **DIRECTORS**



Mr Ashok Atluri
CHAIRMAN AND MANAGING DIRECTOR

Mr Ashok Atluri holds a post-graduate diploma in applied computer science.

He is credited with designing simulators on the Windows Intel platform that set industry standards for simplicity, and was named Small Scale Entrepreneur of the Year by the Hyderabad Management Association in 1998. Under his leadership, the Company has set benchmarks in defence simulation and training.



Mr Kishore Dutt Atluri
FOUNDER, PRESIDENT AND JOINT MANAGING DIRECTOR

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 been instrumental in developing the Company's range of virtual and live simulation systems for infantry, armoured corps, mechanised forces and air defence. His roles include technology direction and product development.



Ms Sirisha Chintapalli
INDEPENDENT DIRECTOR

Ms Sirisha Chintapalli is an Associate Member of the Institute of Company Secretaries of India and the Institute of Cost and Management Accountants of India, and a registered insolvency professional.

With over 13 years of experience across legal, finance, secretarial and regulatory matters, she has worked with L&T Shipbuilding Limited, International Seaport Dredging Limited and CCL Products (India) Limited.



Mr Durga Prasad Kode
INDEPENDENT DIRECTOR

Mr Durga Prasad Kode is a commerce graduate and a retired Indian Police Service officer with a distinguished career in policing, intelligence and public administration.

He has served as Commissioner of Police, Visakhapatnam, Chief of Intelligence, Andhra Pradesh, and Chief of Greyhounds. He serves as an Independent Director on the boards of CCL Products (India) Limited and NAVA Limited.



Ms Shilpa Choudari
WHOLE-TIME DIRECTOR

Ms Shilpa Choudari holds a bachelor's degree in technology from Jawaharlal Nehru Technological University and a master's degree in finance and foreign trade from the Badruka Institute of Foreign Trade.

She has worked at the Company as a research associate and later as AGM, Sales and Marketing, and has an in-depth understanding of the Company's products and processes.



Mr Sanjay Vijay Singh Jesrani
INDEPENDENT DIRECTOR

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, with over 30 years of experience in finance and strategic leadership.

He is Founder and CEO of Go North Ventures and an active member of the Indian Angel Network.



Ms Uma Priyadarshini Kollareddy
ADDITIONAL DIRECTOR (INDEPENDENT CATEGORY)

Ms Uma Priyadarshini Kollareddy holds a bachelor's degree in electronics and communication engineering and master's degrees in financial engineering and business administration from Columbia University, New York, with over 16 years of experience in corporate transformation and capital markets.

She is Executive Director of Midwest Limited, an Independent Director of Awaze Limited and a member of the Investment Committee of T-Fund.



Mr Jasthi krishna kishore
ADDITIONAL DIRECTOR (INDEPENDENT CATEGORY)

Mr Jasthi Krishna Kishore is a commerce graduate and a qualified Chartered Accountant, with over three decades of experience in taxation, finance and public administration in the Indian Revenue Service, retiring as Chief Commissioner of Income Tax in 2024.

He has served as CEO of the Andhra Pradesh Economic Development Board and Secretary to the Government of Andhra Pradesh, and is an Independent Director of various companies.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Review

The global economy remained steady in 2025 despite elevated geopolitical uncertainty and fragmented trade dynamics. Global GDP growth is estimated at approximately 3.4% in 2025, supported by investment in artificial intelligence and technology infrastructure and by easing financial conditions across major economies. Advanced economies grew by about 1.9%, with the United States at 2.1% and the euro area at about 1.4%. Emerging markets continued to lead, with developing Asian economies growing by about 4.4%.

The outlook became more fragile towards early 2026 following escalation in the Middle East and continued disruption linked to the Russia-Ukraine conflict. The IMF projects world growth of 3.1% in 2026. Global inflation moderated to 4.1% in 2025 as supply-chain conditions improved, although energy-price and commodity risks remain elevated.

Source: IMF World Economic Outlook, April 2026.

The Era of Multipolar Conflict

The geopolitical environment reflected a continued shift towards a fragmented, multipolar world order. Ongoing conflicts in Eastern Europe and the Middle East, rising Indo-Pacific tensions and strategic competition around critical technologies significantly altered security priorities. In 2025, global military expenditure reached approximately US$2.63 trillion, up from US$2.48 trillion in 2024, driven by increases in Europe and the Middle East. The United States spent about US$954 billion on defence in 2025. Europe's contribution to global military expenditure rose above 22%, from 17% in 2022, with Germany a primary catalyst. The global defence-to-GDP ratio rose from 1.89% to 2.01%.

Source: SIPRI, 2026; IISS, The Military Balance 2026.



Catalysts for Defence Transformation

GEOPOLITICAL TENSIONS:

Countries are moving beyond stockpile replenishment towards comprehensive modernisation focused on agility, rapid response and technological superiority.

INDUSTRIAL SOVEREIGNTY:

Procurement is shifting from localised assembly towards technological independence, with nations prioritising sovereign IP so that critical systems are fully owned.

NATO SPEND:

At the 2025 Hague Summit, NATO allies committed to invest 5% of GDP a year in defence by 2035, of which 1.5% will be allocated to critical infrastructure and industrial base.

TECHNOLOGICAL ADVANCEMENT:

Spending is increasingly driven by asymmetric advantages, where low-cost autonomous drones and AI-integrated networks challenge high-value assets, raising research intensity and the priority on sovereign IP.

Source: IISS, The Military Balance 2026; World Economic Forum, Global Risks Report 2026.

Global Defence Trends and Outlook

ARTIFICIAL INTELLIGENCE AND AUTONOMY:

Military-grade autonomy has become operational across unmanned aerial, ground and naval vehicles, and AI is embedded in command and surveillance systems.

THE ELECTROMAGNETIC AND CYBER FRONTIER:

Digital infrastructure is now a primary frontline concern, with rising investment to guard against electronic hijacking and spoofing.

GREEN DEFENCE AND RESOURCE OPTIMIZATION:

Militaries are aligning security goals with sustainability, with reduced fuel dependency also simplifying logistics.

IMMERSIVE TRAINING AND COMBAT READINESS:

Augmented and virtual reality tools simulate complex, multi-domain environments that are difficult to replicate in live training, improving performance while reducing cost.

AUTONOMOUS LOGISTICS AND PREDICTIVE MAINTENANCE:

Automation of the military supply chain keeps front-line assets operational with minimal downtime.

Source: World Economic Forum, Global Risks Report 2026.

Indian Economic Review

India remained the fastest-growing major economy for the fourth consecutive year, with real GDP growth of 7.4%, supported by strong domestic fundamentals and sustained investment. Growth was broad-based, supported by continued government capital expenditure on roads, railways, defence and logistics, rapid digitalisation, the Production Linked Incentive scheme supporting Make in India, strength in IT, financial services and tourism, and resilient domestic consumption following income-tax and GST relief.

Source: Ministry of Finance, Government of India, 2026.

The Indian Defence Industry

The Indian defence industry has undergone a paradigm shift, moving from a reactive procurement model towards a high-velocity, indigenous manufacturing base. Sustained policy support, rising private participation and a growing emphasis on sovereign intellectual property have combined to create one of the most supportive environments the sector has seen. For a company built on indigenous research and IP ownership, these tailwinds are directly relevant to the opportunity ahead.

Record Production and Exports

Indigenous defence production reached a historic high of approximately ₹1.54 lakh crore in FY25, and production in FY26 is projected to surpass the ₹1.75 lakh crore target. Defence exports for FY25 stood at a record ₹23,622 crore, with Indian-made systems reaching over 100 nations, including the United States and France. Exports are reported to have reached an all-time high of approximately ₹38,424 crore in FY26, an increase of about 62.66%, reaching over 80 countries.

Source: Press Information Bureau and Ministry of Defence, Government of India, 2026.

The Year of Reforms and DAP 2026

The Ministry of Defence designated 2025 the Year of Reforms, leading to the release of the draft Defence Acquisition Procedure 2026. The new framework introduces Long-Term Bulk Acquisition, giving industry ten-year visibility on orders, and Low-Cost Capital Acquisition for fast-moving technologies such as drones and artificial intelligence. The draft places clear emphasis on indigenously designed, developed and manufactured technologies, an approach that rewards companies that self-fund genuine capability development rather than assemble technology under licence.

Source: Press Information Bureau, Government of India, 2026.

Streamlining Readiness through DPM 2025

Launched in October 2025, the Defence Procurement Manual 2025 overhauled revenue procurement worth approximately ₹1 lakh crore, simplifying procedures for spares and services so that the armed forces can maintain peak operational readiness with domestic support.

Source: Ministry of Defence, Government of India, 2025.

The Rise of the Private Defence Sector

The private sector's contribution to defence production has climbed to 23%, and order books for private firms are estimated to reach ₹55,000 crore by the end of FY26. Initiatives such as the ADITI scheme provide grants of up to ₹25 crore to start-ups for deep-tech innovation in areas including artificial intelligence, quantum technology and anti-drone systems. Beyond the established corridors in Uttar Pradesh and Tamil Nadu, new clusters in Maharashtra are operationalising, integrating over 16,000 MSMEs into the defence supply chain.

Source: Press Information Bureau, Government of India, 2026.

Budget Allocations and a Strong Indigenisation Push

The Union Budget for FY27 reinforced the Government of India's commitment to defence modernisation, indigenous capability development and long-term military preparedness, with a record allocation of approximately ₹7.85 lakh crore to the Ministry of Defence, an increase of about 15.19% over the previous year. Of this, ₹2.19 lakh crore was earmarked under the capital head for defence services, a growth of 21.84%, with approximately ₹1.85 lakh crore towards capital acquisitions of advanced platforms, weapon systems, drones and counter-drone technologies. About 75% of the capital acquisition budget was earmarked for domestic defence firms, reinforcing the policy emphasis on indigenisation. India's counter-drone market is projected to grow at a 24.4% compound annual rate to reach US$1.39 billion by 2030.

Source: Union Budget FY27, Government of India; MarketsandMarkets, 2025.

Key Trends in the Indian Defence Sector

NETWORKED AND DATA-CENTRIC WARFARE:
The Indian Army has declared 2026 the year of Networking and Data Centricity, focused on connecting every soldier, sensor and weapon platform into a unified C4ISR framework for real-time information dominance.

A SOVEREIGN AI ROADMAP:
The Army's AI roadmap integrates artificial intelligence across intelligence, surveillance and reconnaissance, weapon platforms and autonomous systems, shortening the sensor-to-shooter loop.

UBIQUITY OF AUTONOMOUS SYSTEMS AND ROBOTICS:
Autonomy is becoming a standard capability, reflected in the vision of an eagle on the arm of every soldier and the setting up of 19 drone training centres and hubs.

AI-DRIVEN PERSONALISATION AND ANALYTICS:
Modern simulators use artificial intelligence and big data to provide millisecond-level feedback, adjusting each soldier's training to their performance.

COUNTER-UAS DEMAND:
In the wake of regional conflicts, demand for layered anti-drone systems has surged, with a shift towards wide-band electronic warfare solutions that can disrupt adversarial communication and navigation across non-standard frequencies.

MILITARISATION OF SPACE:
With Mission Sudarshan Chakra, there is intensified focus on space-based surveillance and secure satellite communication.

LIVE, VIRTUAL AND CONSTRUCTIVE TRAINING:
The military is moving towards Integrated Combat Training Nodes that combine live firing with virtual and constructive simulation for high-fidelity, force-on-force exercises while reducing wear on physical assets.

LAYERED COUNTER-DRONE DOMINANCE:
As drones become low-cost strike assets, India's counter-drone market is surging, with a shift towards Integrated Drone Detection and Interdiction Systems that combine soft-kill wide-band RF jamming and cyber takeover with hard-kill lasers and kinetic interceptors.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Company Overview

Established in 1993, Zen Technologies Limited has grown from a specialised simulation firm into a diversified defence company. Headquartered in Hyderabad, with a presence across India, the UAE and the United States, the Company delivers high-fidelity combat environments and mission-critical defence hardware. Its operations are driven by three offerings, namely training solutions including live ranges and virtual simulation, counter-drone detection and neutralisation technologies, and advanced military hardware including robotic surveillance systems and remote weapon stations. The Company holds CMMI Maturity Level 5 and ISO/IEC 27001:2022 certifications. As at 31 March 2026 its consolidated order book stood at approximately ₹1,336 crore.

Financial Performance

The Company achieved revenue of ₹687.69 crore in FY26, compared with ₹973.64 crore in FY25. The moderation was largely attributable to delays in order finalisation, shifting procurement priorities and the milestone-based nature of defence contracts. Underlying momentum remained robust across simulation systems, counter-UAS technologies and emerging autonomous platforms.

The Company maintained strong profitability, supported by a differentiated technology portfolio and operational discipline. Reported EBITDA was ₹332.66 crore, at a margin of 48.37%, and operational EBITDA, which excludes other operating income, was ₹247.24 crore, at a margin of 35.95%. Profit after tax was ₹193.45 crore after adjusting for non-controlling interests, against a reported profit after tax of ₹217.93 crore. The Company maintained cash and bank balances of over ₹1,308 crore and a debt-free position. Its consolidated order book as at 31 March 2026 stood at approximately ₹1,336 crore, providing strong revenue visibility.



Key Financial Ratios

Particulars	FY26	FY25	% change
Current ratio (times)	8.86	7.39	19.78%
Debt-equity ratio (times)[(a)]	0.002	0.03	-94.44%
Debt service coverage ratio (times)[(b)]	4.75	21.82	-78.22%
Return on equity ratio (%)[(c)]	11.83%	27.19%	-56.49%
Inventory turnover ratio (times)[(d)]	1.37	2.67	-48.61%
Trade receivables turnover ratio (times)[(e)]	2.17	3.27	-33.77%
Trade payables turnover ratio (times)	10.28	10.20	0.73%
Net capital turnover ratio (times)	0.50	0.82	-20.08%
Net profit ratio (%)	31.69%	30.74%	3.08%
Return on capital employed (%)[(f)]	15.89%	23.46%	-32.37%
Return on investment	NA	NA	NA

(a) The Debt-Equity Ratio declined by 94.44% on account of repayment of borrowings during the year.

(b) DSCR improved by 409.80% due to reduction in debt service obligations following repayment of borrowings.

(c) Lower PAT in FY26 due to moderation in revenue order execution timing; equity base has expanded.

(d) The Inventory Turnover Ratio declined by 48.61% due to lower cost of goods sold in line with the decrease in revenue, while inventory levels remained at similar levels.

(e) Lower trade receivable due to lower revenue base during the year.

(f) EBIT reduced in line with lower revenue; capital employed grew on account of strong equity accretion.

Acquisitions during the Year

During FY26 the Company continued to build its integrated defence technology ecosystem. In June 2025 it acquired a majority stake in TISA Aerospace, strengthening its presence in loitering munitions, offensive UAV platforms and autonomous aerial systems. During the year the Company also completed the acquisition of the remaining 24% stake in Applied Research International Private Limited, making it a wholly owned subsidiary and strengthening its position in naval, marine and offshore simulation. In November 2025 the Company acquired a 76% equity stake in Anawave Systems & Solutions Private Limited, adding scenario-based naval training systems designed to integrate with existing naval command and control architecture. The Company continued to integrate investments made during the previous year, including Vector Technics, Bhairav Robotics and the ARI group entities.

Risks and Mitigation

The Company operates at the intersection of national security and rapid technological change. Its risk-management framework is designed to convert potential vulnerabilities into competitive strengths.

Risk	Mitigation
Competitive dynamics: Global players may use aggressive pricing to secure large contracts.	We focus on deep product customisation, superior technical performance and long-term service relationships that provide value beyond the initial purchase price.
Macroeconomic volatility: Slowdowns or fiscal tightening can reduce budgets and extend procurement timelines.	A diversified portfolio and a growing geographic footprint reduce our reliance on any single economy or budget cycle.
Order-book uncertainty: Developing bespoke systems without finalised orders can pressure cash flows.	We prioritise milestone-based agreements and maintain close collaboration with clients throughout design and development.
Procurement structure: Tender processes often favour the lowest bidder, which may not reflect lifecycle value.	We focus on cost optimisation and lean manufacturing while delivering the technological value required for mission success.
Supply-chain fragility: Geopolitical instability and component shortages can delay production.	We maintain a resilient, multi-tiered supplier network and robust contingency planning.
Technological obsolescence: Rapid innovation carries the risk of systems becoming outdated.	We invest continuously in next-generation research, agile development and strategic partnerships.
Cyber security and data integrity: A threat-sensitive environment makes the Company a target for digital incursion and IP theft.	We adhere to ISO/IEC 27001:2022 and conduct regular audits and staff training.
Human capital and talent retention: Specialised talent is in high global demand.	We foster a mission-driven culture, clear growth pathways and rigorous succession planning.

Human Resources and Industrial Relations

The Company regards its people as the primary architects of its success. In FY26 it accelerated investment in technical upskilling and leadership development, strengthening its capability base in a competitive market for specialised talent. As at 31 March 2026 its multidisciplinary team had grown to 421 professionals. The Company prioritises transparent and constructive engagement with all stakeholders.

Internal Control Systems and Their Adequacy

The Company has established an internal control framework matched to the scale and complexity of its operations, providing a foundation for financial integrity, operational accountability and regulatory compliance. The framework rests on a structured governance hierarchy with clearly defined roles and reporting lines, documented policies and standard operating procedures, quarterly internal audits by an independent audit function, and direct oversight by the Audit Committee of the Board, which monitors the resolution of audit findings each quarter.

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. The Company is under no obligation to update any forward-looking statement publicly, whether as a result of new information, future developments or otherwise. External factors, such as global economic conditions, regulatory changes or technological disruption, may affect performance in ways that cannot be predicted.

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

Mrs. Shilpa Choudari
(DIN: 06646539)
Whole Time 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

Mr. Jasthi Krishna Kishore
(DIN: 08001625)
Additional Director

Ms. Uma Priyadarshini Kollareddy
(DIN: 02736184)
Additional Director

CHIEF FINANCIAL OFFICER

Mr. Hari Haran Chalat

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 Devlopment 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

INTERNAL AUDITORS

M/s. NSVR & Associates LLP
(FRN: 8801S/S200060)
Chartered Accountants
Hyderabad

BANKERS

HDFC Bank Limited
Indian Bank
Axis Bank Limited
Export Import Bank of India
ICICI Bank 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

NOTICE is hereby given that the **33rd Annual General Meeting ("AGM")** of the members of Zen Technologies Limited ("the Company") will be held on **Saturday, August 29, 2026, 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, 2026, the Report of the Auditors' thereon and the Report of the Board of Directors and in this regard, pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, 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, 2026 and the Report of the Auditors' thereon and in this regard, pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, 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, 2026, and in this regard, pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** a final dividend at the rate of 100% i.e. ₹ 1.00 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, 2026."

Item No.4: To appoint a director in place of Mr. Ashok Atluri (DIN: 00056050), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Ashok Atluri (DIN: 00056050), who retires by rotation at this annual general meeting and being eligible offers himself 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 2026-27:

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, 2027, amounting to ₹ 1,50,000 (Rupees One Lakh Fifty 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 of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is 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 Mr. Jasthi Krishna Kishore (DIN: 08001625) as an Independent Director of the Company:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Rules') (including any statutory modification(s) or re-enactments(s) thereof for the time being in force), Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Mr. Jasthi Krishna Kishore

(DIN: 08001625), who has been appointed as an Additional Director (Non-Executive, Independent) of the Company, and who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed, as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (three) consecutive years commencing from July 25, 2026 upto July 24, 2029 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is 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.7: Appointment of Ms. Uma Priyadarshini Kollareddy (DIN: 02736184) as an Independent Director of the Company:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Rules') (including any statutory modification(s) or re-enactments(s) thereof for the time being in force), Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Ms. Uma Priyadarshini Kollareddy, (DIN: 02736184) who has been appointed as an Additional Director (Non-Executive, Independent) of the Company, and who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed, as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (three) consecutive years commencing from August 04, 2026 upto August 03, 2029 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is 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.8: Re-appointment of Mrs. Shilpa Choudari (DIN: 06646539), as a Whole Time Director of the Company:

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

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments, modifications or re-enactments thereof for the time being in force), (the "Act") read with Schedule V of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, approval of the Members of the Company be and is hereby accorded for re-appointment of Mrs. Shilpa Choudari (DIN: 06646539), as a Whole Time Director of the Company, for a period of 3 (three) consecutive years from November 01, 2026 to October 31, 2029 (both days inclusive), whose office is liable to retire by rotation, upon the terms, conditions and remuneration as set out in the Explanatory Statement annexed to the Notice, notwithstanding that such remuneration may exceed the limits prescribed under Section 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to Regulation 17(6)(e) of SEBI Listing Regulations, as amended from time to time, the consent of the Members of the Company be and is hereby accorded for the payment of remuneration, as set out in the Explanatory Statement annexed to the Notice, to Mrs. Shilpa Choudari, Whole Time Director, notwithstanding that (i) the annual remuneration payable to her exceeds ₹ 5 crore or 2.5% of the net profits of the Company, whichever is higher; or (ii) the aggregate annual remuneration of all the promoter executive directors of the Company exceeds 5% of the net profits of the Company.

RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution)

be and is hereby authorised to vary the terms of re-appointment including to vary the remuneration specified above from time to time as it deems fit and to the extent recommended by the Nomination and Remuneration Committee and in the manner as may be agreed between the Board and Mrs. Shilpa Choudari.

RESOLVED FURTHER THAT for the purposes of giving effect to the above resolution, the Board of Directors be and is hereby authorized to execute all such agreements, documents, instruments and writings, file requisite filings, settle all questions, difficulties or doubts that may arise in this regard including for obtaining necessary approvals in relation thereto, and do such other acts, deeds, matters and things as may be considered necessary, desirable or expedient and delegate all or any of its powers herein conferred to any committee of directors or director(s) or officer(s) of the Company."

Date: August 04, 2026
Place: Hyderabad

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

Notes:

1. The Notice of 33rd AGM ("Notice") was approved by the Board of Directors at its meeting held on August 04, 2026 and the Company Secretary was authorised to issue the Notice.

2. 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 33rd 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 - I**.

3. 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, 09/2024 and 03/2025 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, 19th September 2024 and September 22, 2025, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, to conduct AGM through VC/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 Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In compliance with aforesaid MCA Circulars, aforesaid SEBI Circular, provisions of the Act and the Listing Regulations, the 33rd 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.

4. 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.

5. 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 33rd AGM through VC/OAVM are given as an attachment to this Notice.

6. The statutory registers including Register of Directors and Key Managerial Personnel and their shareholding, the 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 33rd 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 33rd AGM. Members who wish to inspect the register are requested to write to the Company by sending e-mail to cosec@zentechnologies.com.

7. In accordance with the aforesaid Circulars, the Notice of the 33rd AGM along with the Annual Report for the financial year 2025-26, 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 33rd 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 33rd AGM and the Annual Report for the year ended March 31, 2026 has not been sent to the members.

   The Company shall send a physical copy of the Annual Report to those Members who request for the same at cosec@zentechnologies.com mentioning their Folio No./DP ID and Client ID.

   A letter containing the web-link and QR code to access the Annual Report for financial year 2025-26 is being sent separately to the shareholders whose email addresses are not registered with the Company/Depository Participants(DPs)/Registrar and Share Transfer Agent.

8. 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.

9. The Company has notified closure of Register of Members and Share Transfer Books from August 22, 2026 to August 29, 2026 (both days inclusive) for determining the names of member(s) eligible for dividend on Equity Shares, if declared at the Meeting.

DIVIDEND RELATED INFORMATION:

10. The Board has recommended the final dividend of ₹ 1/- 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 21, 2026, 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 21, 2026, 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.

11. Members holding shares in dematerialised form may please note that, in accordance with the direction of the Stock Exchanges, bank details as furnished by the respective depositories will be used for the purpose of distribution of dividend.

12. Members are request 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. For the prescribed TDS rates for various categories, please refer to the Income Tax Act, 2025 and the Finance Acts of the respective years. The shareholders are requested to update their PAN with the DPs (if shares held in dematerialized form) and the Company/RTA (if shares held in physical form).

    Members are requested to register/update their residential status, PAN, category as per the IT Act, with their Depository Participants (DP) or in case shares are held in physical form, with the Company/Registrars and Transfer Agents (RTA) on or before August 21, 2026 to enable the Company to determine the appropriate TDS/ withholding tax rate applicable, verify the documents and provide exemption.

DIVIDEND IN CASE OF NON KYC COMPLIANT FOLIOS:

13. 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, November 17, 2023 and June 10, 2024) 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.

14. 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 Kfin, in case the shares are held by them in physical form.

15. Members holding shares in physical 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.

16. Members holding shares in electronic 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 cosec@zentechnologies.com or to KFin at einward.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.

17. 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.

18. 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:

19. Pursuant to the provisions of Sections 124 and 125 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends that remain unpaid or unclaimed for a period of seven year or more, are mandatorily required to be transferred to the Investor Education and Protection Fund ("IEPF"). Accordingly, unpaid or unclaimed dividends up to the financial year 2017-18 have been transferred to the IEPF.

    As per the provisions of Section 124(6) of the Act read with the IEPF Rules as amended, all shares in respect of which dividends have remained unclaimed for seven consecutive years or more for the financial year ended 31st March, 2018 were transferred by the Company to the IEPF. The Company had sent individual communications to the concerned shareholders whose shares were liable to be transferred to the IEPF.

20. The unclaimed equity dividend for the year ended March 31, 2019, will be transferred in the month of November, 2026, to the "Investor Education and Protection Fund (IEFP)" on expiry of 7 years from the date of transfer to the Unpaid Dividend Account, pursuant to Section 124 of the Companies Act, 2013 (Section 205A of the Companies Act, 1956). 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.

21. As per the provisions of Section 125 of the Act and the IEPF Rules, members whose unclaimed dividend and equity shares have been transferred to IEPF, may claim the refund by making an application to the IEPF Authority in web form IEPF-5 available on www.mca.gov.in.

VOTING RESULTS:

22. 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.

23. 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, https://www.zentechnologies.com.

24. The Chairman authorised the Company Secretary and Compliance Officer to receive and countersign the scrutinizer's report and declare the results, along with the consolidated scrutinizer's report within the timeframe prescribed under the Act and the SEBI Listing Regulations. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.

OTHER INFORMATION:

25. 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 Kfin. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.

26. 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.

27. 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.

28. 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.

29. SEBI, vide Circular No. HO/38/13/11(2)2026-MIRSDPOD/I/3750/2026 dated 30th January, 2026, has opened a special window to facilitate re-lodgement of transfer and dematerialisation of physical securities. The window will remain open for a period of one year, i.e., from 5th February, 2026 to 4th February, 2027.

    This special facility will be available for transfer and dematerialisation of physical shares that were sold or purchased prior to 1st April, 2019. Additionally, the facility extends to transfer requests that were submitted earlier but were rejected, returned, or not attended to due to deficiencies in documents, process issues, or for any other reason.

Eligible shareholders who wish to avail the opportunity are requested to submit the requisite documents to KFin Technologies Limited, Registrar and Transfer Agent, Unit: Zen Technologies Limited, Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032.

Investors are informed that the securities re-lodged for transfer pursuant to the above circular, shall only be issued in demat form. In case of any queries, shareholders are requested to raise a service request at einward.ris@kfintech.com or cosec@zentechnologies.com.

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 26, 2026
End of remote e-voting	5.00 p.m. (IST) on Friday, August 28, 2026

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.

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.

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

Type of shareholders	Login Method
	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 requested to select the name of the company and the e-Voting Service Provider name, i.e. KFin. 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. d) After successful authentication, user will be provided links for the respective ESP, i.e., KFin where the e-Voting is in progress.

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

Type of shareholders	Login Method
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://emeetings.kfintech.com/

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) 9,990, 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. 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.

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 though VC/OAVM shall open atleast 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 27, 2026, 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 atleast 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 August 25, 2026 to 5.00 p.m. (IST) on Wednesday, August 27, 2026. 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 (KFin Website) or write at evoting@kfintech.com or einward.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 August 21, 2026, 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 2026-27:

Pursuant to Section 148 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 01, 2026, 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 2026-27, at a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) 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 2026-27.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

The Board recommends the Ordinary Resolution, as set out at Item No. 5 of the notice, for approval by the members.

Item No. 6: Appointment of Mr. Jasthi Krishna Kishore (DIN: 08001625) as an Independent Director of the Company:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on July 25, 2026, appointed Mr. Jasthi Krishna Kishore as an Additional Director of the Company with effect from July 25, 2026 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Articles of Association of the Company. The Board of Directors also appointed Mr. Jasthi Krishna Kishore as an Independent Director of the Company not liable to retire by rotation, for a period of 3 (three) consecutive years commencing from July 25, 2026 upto July 24, 2029 (both days inclusive), subject to approval by the Members of the Company.

Brief Profile:

Mr. Jasthi Krishna Kishore, aged 62 years, is a Commerce Graduate with Distinction and a qualified Chartered Accountant. He joined the Indian Revenue Service in 1990 and retired in February 2024 as Chief Commissioner of Income Tax after a distinguished career spanning more than three decades in government service.

Throughout his illustrious career, he held several senior positions in the Government of India and the Government of Andhra Pradesh and gained extensive experience in taxation, finance, economic development, investment promotion, civil aviation, infrastructure development and public administration. His notable assignments include Chief Commissioner of Income Tax, Karnataka; Principal Director of Income Tax (Investigation), Odisha; Principal Commissioner of Income Tax, New Delhi; Commissioner of Income Tax, Guntur and Vijayawada; and Additional Commissioner of Income Tax, Hyderabad and Faridabad.

He also served as Chief Executive Officer of the Andhra Pradesh Economic Development Board and Secretary to the Government of Andhra Pradesh from 2015 to 2019. During his tenure, he played a key role in establishing the Andhra Pradesh Economic Development Board and promoting the State as a leading investment destination. He was instrumental in facilitating investments exceeding ₹2,00,000 crore, including investments by prominent companies such as Kia Motors, Foxconn and Gamesa. Under his leadership, the Board received the SKOCH National Gold Award for Best Investment Promotion Agency, and Andhra Pradesh secured the first rank in the World Bank's Ease of Doing Business rankings.

Mr. Jasthi has also held important assignments in the Union Ministries of Civil Aviation, Urban Development, Rural Development and Agriculture. During his tenure with the Ministry of Civil Aviation, he contributed to several significant initiatives, including the revival of SpiceJet, restoration of flight operations at Visakhapatnam Airport following Cyclone Hudhud and the development of major airport projects.

He was awarded the Finance Minister's Gold Medal for Best All-Round Performance in the 45th Batch of the Indian Revenue Service. He has also received several awards and commendations from the Central Board of Direct Taxes and the Ministry of Finance for excellence in tax administration, assessments and infrastructure development. He has served on various important government committees, including those relating to IRS cadre restructuring, tax accounting standards and infrastructure development.

Mr. Jasthi has authored a book on income tax applicable to charitable and religious institutions and co-authored the book "Towards an Urban Revolution". He has delivered lectures at professional bodies, chambers of commerce and educational institutions on taxation, economy, management, leadership and motivation. He is also registered as an Arbitrator with the Indian Council of Arbitration and is actively engaged in mentoring start-ups and educational institutions.

Currently, he serves as an Independent Director on the Boards of Taj GVK Hotels & Resorts Limited, Prasaditya ARC Limited, Mohan Spintex India Limited , Sri Sarvaraya Sugars Limited and Hyderabad Institute of Oncology Private Limited. He also advises leading organisations on taxation and general management.

With his exceptionally distinguished record of accomplishments, background and expertise in the public administration, management, strategy, etc. the Board is of the opinion that Mr. Jasthi's appointment would be in the interest of the Company. Mr. Jasthi also fulfills the identified core skills/ expertise/competencies, and the criteria laid down by the Board in the Company's Nomination Policy for appointment as a Director of the Company and as required in the context of the Company's business and the sector it operates in.

Mr. Jasthi has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company. Mr. Jasthi has also confirmed that he is not debarred from holding the office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any such authority. Mr. Jasthi is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Jasthi has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Mr. Jasthi meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and has submitted a declaration to that effect. In the opinion of the Board, Mr. Jasthi is independent of the management. The Company has received a notice in writing under Section 160(1) of the Act from a Member proposing candidature of Mr. Jasthi as a Director of the Company. Mr. Jasthi has conveyed his consent to act as a Director of the Company. The Company has also received other necessary disclosures and declarations from Mr. Jasthi.

As per Section 152 of the Act and the Rules made thereunder, a Director can be appointed with the approval of the Members and as per Regulation 17(1C) of the SEBI Listing Regulations, the Company is required to obtain the approval of the Members at the next General Meeting or within a period of three months from the date of appointment, whichever is earlier. Further, as per Regulation 25(2A) approval of the Members by way of a special resolution is required for the appointment of an Independent Director. Accordingly, the approval of the Members is being sought for the appointment of Mr. Jasthi as a Director and also as an Independent Director of the Company by way of a Special Resolution.

A copy of the draft letter of appointment as an Independent Director stating the terms and conditions, is available for inspection by Members on the website of the Company at the link https://www.zentechnologies.com/investors.

The required details in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard on General Meetings (SS-2) are provided in **Annexure I** to this Notice.

Except Mr. Jasthi and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, financially or otherwise, in the proposed Special Resolution.

The Board recommends the Special Resolution, as set out at Item No. 6 of the notice, for approval by the members.

Item No. 7: Appointment of Ms. Uma Priyadarshini Kollareddy (DIN: 02736184) as an Independent Director of the Company:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors vide the circular resolution dated August 04, 2026, appointed Ms. Uma Priyadarshini Kollareddy as an Additional Director of the Company with effect from August 04, 2026 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Articles of Association of the Company. The Board of Directors also appointed Ms. Uma Priyadarshini Kollareddy as an Independent Director of the Company not liable to retire by rotation, for a period of 3 (three) consecutive years commencing from August 04, 2026 upto August 03, 2029 (both days inclusive), subject to approval by the Members of the Company.

Brief Profile:

Ms. Uma Priyadarshini Kollareddy, aged 41 years, holds a Bachelor of Technology degree in Electronics and Communication Engineering from Vignana Jyothi Institute of Engineering & Technology, a Master of Science degree in Financial Engineering from Columbia University, and a Master of Business Administration from Columbia Business School, New York. She is an accomplished corporate leader with over 16 years of experience in corporate transformation, capital markets, institutional development, strategic investments and corporate governance.

Ms. Kollareddy presently serves as Executive Director of Midwest Limited. In this role, she is responsible for driving key initiatives relating to international investments, organisational performance, investor engagement, enterprise governance, corporate policies, sustainability and long-term value creation. Her responsibilities also include contributing to strategic investment decisions, overseeing cross-border transactions and international projects, and evaluating the restructuring of proposed overseas capital commitments.

Earlier in her career, Ms. Kollareddy worked with Bank of America Securities as an Investment Banking Analyst, where she supported the execution of housing finance capital markets transactions aggregating over US$30 billion. Her responsibilities included structuring interest-rate risk-management solutions and developing financial models for evaluating refinancing and capital-structure strategies.

Ms. Kollareddy currently serves as an Independent Director on the Board of Awaze Limited, where she advises on strategic growth, acquisitions and operational efficiency. She is also a member of the Investment Committee of T-Fund, an initiative involving T-Hub and the Government of Telangana, where she contributes to the evaluation and support of early-stage technology start-ups.

She has been featured by leading business news channels during Midwest Limited's IPO and public listing and has participated as a panellist at the Massachusetts Institute of Technology Global Startup Workshop. She is associated with professional organisations including the Young Presidents'

Organization, Entrepreneurs' Organization and the Institute of Directors.

With her extensive experience and expertise in corporate strategy, capital markets, financial management, international investments, institutional building, corporate governance, organisational transformation and stakeholder management, the Board is of the opinion that Ms. Kollareddy's appointment would be in the interest of the Company. Ms. Kollareddy possesses the identified core skills, expertise and competencies and satisfies the criteria prescribed by the Board under the Company's Nomination Policy for appointment as a Director, as required in the context of the Company's business and the sector in which it operates.

Ms. Kollareddy has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director of the Company. Ms. Kollareddy has also confirmed that she is not debarred from holding the office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any such authority. Ms. Kollareddy is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Ms. Kollareddy has confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Ms. Kollareddy meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and has submitted a declaration to that effect. In the opinion of the Board, Ms. Kollareddy is independent of the management. The Company has received a notice in writing under Section 160(1) of the Act from a Member proposing candidature of Ms. Kollareddy as a Director of the Company. Ms. Kollareddy has conveyed her consent to act as a Director of the Company. The Company has also received other necessary disclosures and declarations from Ms. Kollareddy.

As per Section 152 of the Act and the Rules made thereunder, a Director can be appointed with the approval of the Members and as per Regulation 17(1C) of the SEBI Listing Regulations, the Company is required to obtain the approval of the Members at the next General Meeting or within a period of three months from the date of appointment, whichever is earlier. Further, as per Regulation 25(2A) approval of the Members by way of a special resolution is required for the appointment of an Independent Director. Accordingly, the approval of the Members is being sought for the appointment of Ms. Kollareddy as a Director and also as an Independent Director of the Company by way of a Special Resolution.

A copy of the draft letter of appointment as an Independent Director stating the terms and conditions, is available for inspection by Members on the website of the Company at https://www.zentechnologies.com/investors.

The required details in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard on General Meetings (SS-2) are provided in **Annexure I** to this Notice.

Except Ms. Kollareddy and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, financially or otherwise, in the proposed Special Resolution.

The Board recommends the Special Resolution, as set out at Item No. 7 of the notice, for approval by the members.

Item No. 8: Re-appointment of Mrs. Shilpa Choudari (DIN: 06646539), as a Whole Time Director of the Company:

Mrs. Shilpa Choudari (DIN: 06646539), was appointed as the Whole Time Director for a period of three consecutive years with effect from November 01, 2023, to October 31, 2026. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on July 25, 2026, have approved the re-appointment and terms of re-appointment (including remuneration) of Mrs. Shilpa Choudari as a Whole Time Director of the Company for further period of 3 (three) consecutive years commencing from November 01, 2026 upto October 31, 2029 (both days inclusive), subject to approval of the Members of the Company.

Ms. Shilpa Choudari, aged 45 years, holds a Bachelor's degree in Technology from Jawaharlal Nehru Technological University and a Master's degree from Badruka Institute of Foreign Trade, with specialisation in Finance and Foreign Trade. She has been associated with Zen Technologies Limited since 2009 and has held various positions, including Assistant General Manager – Sales and Marketing. Through these roles, she has gained extensive experience in the Company's product portfolio, business processes and operations..

Her experience in banking, research, finance, foreign trade, sales and marketing, together with her familiarity with the Company's business and operations, enables her to contribute effectively to the deliberations and functioning of the Board.

At Zen, she oversees key functions including finance, production, and human resources. Her responsibilities encompass strategic planning, budgeting, risk management, cross-functional coordination, and ensuring that these functions remain aligned with the Company's long-term business objectives.

The material terms of re-appointment and remuneration are given below:

a) Tenure of Re-appointment:

The re-appointment as a Whole Time Director is for a period of three years with effect from November 01, 2026 to October 31, 2029 (both days inclusive).

b) Remuneration:

A. **Salary:** ₹ 4,50,000/- (Rupees Four Lakhs Fifty Thousand only) per month.

In addition to the above salary, she shall also be entitled to the following allowances and other perquisites subject to a maximum amount of ₹ 36,00,000/- (Rupees Thirty -Six Lakhs Only) per annum.

B. **Benefits and Allowances:**

i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for company-provided accommodation.

or

In case residential accommodation is not provided by the Company, she shall be entitled for House Rent Allowance ("HRA") not exceeding 40% of her salary.

ii) The expenditure incurred by the Company on gas, electricity, water and furnishing shall be evaluated as per the Income Tax Rules, subject to a ceiling of ten percent (10%) of the annual salary.

C. **Perquisites:** In addition to the above, Mrs. Shilpa Choudari shall be entitled to the following perquisites classified into three categories as follows:

Category – I:

The following perquisites given in this Category will be allowed, subject to overall ceiling specified above:

a) Leave Travel Concession/Allowances for self and family, as per the Rules of the Company.

b) Club Membership fees/subscription subject to maximum of 2 clubs.

c) Any other perquisite as may be allowed as per Rules of the Company.

Category – II:

Mrs. Shilpa Choudari shall also be eligible to the following perquisites which are not included in the computation of ceiling of remuneration and perquisites specified above:

i) Contribution to provident fund or superannuation fund or annuity fund shall be in accordance with the Rules of the Company, to the extent these (either singly or together), are not taxable under the Income Tax Act, 1961.

ii) Gratuity as per the Gratuity Act, 1972.

iii) Leave and encashment of unavailed leave as per the Rules of the Company.

Category – III:

Mrs. Shilpa Choudari shall also be eligible to the following other perquisites and benefits (without ceiling):

i) The Company shall reimburse rent, taxes and call charges of telephone/telefax at the residence of the Mrs. Shilpa Choudari. The Company shall also provide cellular phones with roaming facility and reimburse all charges pertaining to the same.

The Company shall also reimburse the cost of the Internet connection at the residence of the Mrs. Shilpa Choudari.

ii) Car facility and car related benefits such as fuel, maintenance and driver for official duties

iii) Reimbursement of full hospitalization and major medical expenses for self and family.

iv) Life Insurance Policy, Personal Accident Insurance and Mediclaim Policy as per the rules of the Company.

v) She shall be entitled for the re-imbursement of actual out-of pocket expenses including for travelling, boarding and lodging, incurred in connection with the business of the Company.

For the purposes of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Act, 1961, wherever applicable. In the absence of any such provision in the Income Tax Act, 1961, perquisites shall be evaluated at actual cost.

D. **Other Terms:**

i. Mrs. Shilpa Choudari shall not be entitled to receive any fee for attending the meeting of the Board or Committee thereof.

ii. Notice period and other terms regarding cessation of employment shall be governed as per the Rules of the Company.

iii. **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mrs. Shilpa Choudari, the Company has no profits or its profits are inadequate, the Company will pay to her remuneration by way of Salary, Benefits, Allowances and Perquisites, as specified above, subject to applicable laws and such approvals as may be required.

Having regard to the qualification, experience, knowledge and leadership skills, the Board is of the view that the re-appointment of Mrs. Shilpa Choudari as a Whole Time Director will be beneficial to the functioning and growth of the Company and the remuneration payable to Mrs. Shilpa Choudari is commensurate with her abilities and experience.

The Company has received all the statutory declarations/ disclosures from Mrs. Shilpa Choudari including the following:

a) Consent for re-appointment as a Whole Time Director of the Company;

b) Confirmation that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018, issued by the BSE Limited and the National Stock Exchange of India Limited pertaining to the enforcement of SEBI

Orders regarding the appointment of Directors by the listed companies;

c) Confirmation that she satisfies all the conditions set out under Section 196(3) and in Part –I of Schedule V of the Companies Act, 2013, for being eligible for re-appointment as a Whole Time Director of the Company; and

d) Confirmation that she is not disqualified from being a Director in terms of Section 164 of the Companies Act, 2013.

The required details in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard on General Meetings (SS-2) are provided in **Annexure I** to this Notice.

In terms of the provisions of the SEBI Listing Regulations, a listed entity is required to obtain the approval of Members for appointment of a person on the Board of Directors at the next General Meeting or within a time period of three months from the date of appointment, whichever is earlier.

Accordingly, the approval of the Members is being sought for the re-appointment of Mrs. Shilpa Choudari as a Whole Time Director of the Company by way of a Special Resolution.

None of the Directors or KMP of the Company or their respective relatives, except Mrs. Shilpa Choudari, Mr. Ashok Atluri (spouse) and her relatives, are concerned or interested, financially or otherwise, in the proposed Special Resolution.

The Board recommends the Special Resolution, as set out at Item No. 8 of the notice, for approval by the members.

Date: August 04, 2026
Place: Hyderabad

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- I

Details of the Directors seeking Appointment/Re-appointment

Pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Sr. No.	Name	Mr. Ashok Atluri	Mrs. Shilpa Choudari
1.	DIN	00056050	06646539
2.	Date of Birth/Age	December 31, 1965/60 years	April 16, 1981/45 years
3.	Date of first appointment on the Board	November 01, 1994	November 01, 2020
4.	Brief resume, Qualification(s), Experience and Nature of expertise in specific functional areas	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.	As mentioned in the Explanatory Statement annexed to the Notice
5.	Terms and Conditions along with details of remuneration sought to be paid	Pursuant to the resolution passed by the shareholders through postal ballot by remote e-voting on April 24, 2026.	Re-appointment as a Whole Time Director of the Company,, for a period of 3 (three) consecutive years effective from November 01, 2026 to October 31, 2029 (both days inclusive). For further details, refer Notice and Explanatory Statement
6.	No. of Board Meetings attended during FY 2025-26	6	6
7.	Last Remuneration drawn (₹ in Lakhs) during FY 2025-26	803.19	60.00
8.	Inter-se relationship with other Directors and Key Managerial Personnel of the Company	Mr. Ashok Atluri is a brother of Mr. Kishore Dutt Atluri and spouse of Mrs. Shilpa Choudari	Mrs. Shilpa Choudari is a spouse of Mr. Ashok Atluri.
9.	Name(s) of other companies in which directorships held	a) Zen Medical Technologies Private Limited b) Zen Skillproc Private Limited c) Applied Research International Private Limited d) ARI Labs Private Limited e) Unistring Tech Solutions Private Limited f) Sakuraa Infra Holding Private Limited	a) Vensam Infrastructure (India) Private Limited b) Unistring Tech Solutions Private Limited c) Anvizen Consultants Private Limited

Details of the Directors seeking Appointment/Re-appointment (Contd.)

Sr. No.	Name	Mr. Ashok Atluri	Mrs. Shilpa Choudari
10.	Listed entities from which resigned in the past three years	None	None
11.	Name(s) of other Companies in which Committee Membership(s)/Chairmanship(s) held	Unistring Tech Solutions Private Limited: • Audit Committee - Member • Nomination and Remuneration Committee - Member Applied Research International Private Limited: • Corporate Social Responsibility Committee - Chairman	Unistring Tech Solutions Private Limited • Corporate Social Responsibility Committee - Member
12.	Shareholding in the Company as on the date of notice (self and beneficial basis only)		
	(a) Own	1,95,46,103	Nil
	(b) For other persons on a beneficial basis	Nil	Nil

Details of the Directors seeking Appointment/Re-appointment (Contd.)

Sr. No.	Name	Mr. Jasthi Krishna Kishore	Ms. Uma Priyadarshini Kollareddy
1.	DIN	08001625	02736184
2.	Date of Birth/Age	February 18, 1964/62 years	January 29, 1985/41 years
3.	Date of first appointment on the Board	July 25, 2026	August 04, 2026
4.	Brief resume, Qualification(s), Experience and Nature of expertise in specific functional areas	As mentioned in the Explanatory Statement annexed to the Notice	As mentioned in the Explanatory Statement annexed to the Notice
5.	Terms and Conditions along with details of remuneration sought to be paid	Appointment as an Independent Director, for a period of 3 (three) consecutive years effective from July 25, 2026 to July 24, 2029 (both days inclusive).	Appointment as an Independent Director, for a period of 3 (three) consecutive years effective from August 04, 2026 to August 03, 2029 (both days inclusive).
6.	No. of Board Meetings attended during FY 2025-26	-	-
7.	Last Remuneration drawn (₹ in Lakhs) during FY 2025-26	-	-
8.	Inter-se relationship with other Directors and Key Managerial Personnel of the Company	Mr. Jasthi Krishna Kishore is not related to any other Directors, Manager and other Key Managerial Personnel of the Company	Ms. Uma Priyadarshini Kollareddy is not related to any other Directors, Manager and other Key Managerial Personnel of the Company
9.	Name(s) of other companies in which directorships held	a) Taj GVK Hotels and Resorts Limited b) Sri Sarvaraya Sugars Limited c) Prasaditya ARC Limited d) Mohan Spintex India Limited e) Hyderabad Institute of Oncology Private Limited	a) Midwest Limited b) Awaze Limited c) Highoctane Technologies Private Limited d) Gigawatt X Mobility Private Limited
10.	Listed entities from which resigned in the past three years	None	None
11.	Name(s) of other Companies in which Committee Membership(s)/Chairmanship(s) held	a) Taj GVK Hotels and Resorts Limited • Audit Committee – Member • Nomination and Remuneration Committee - Member b) Mohan Spintex India Limited • Audit Committee – Member	a) Midwest Limited • Stakeholders Relationship Committee – Member • CSR & ESG Committee - Member
12.	Shareholding in the Company as on the date of notice (self and beneficial basis only)		
	(a) Own	Nil	Nil
	(b) For other persons on a beneficial basis	Nil	Nil

Board's Report

Dear Members,

The Board of Directors presents the Company's Thirty Third Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2026.

FINANCIAL HIGHLIGHTS:

The financial highlights of the Company are as follows:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2025-26	2024-25	2025-26	2024-25
Total Income	77,311.16	103,202.71	50,093.68	98,845.15
Total Operating Expenditure	44,044.89	60,011.77	28,774.22	61,694.62
Operating Profit (PBIDT)	33,266.27	43,190.94	21,319.46	37,150.53
Less: Interest	1,027.07	1,037.56	343.10	942.08
Less: Depreciation & Amortization	2,438.69	1,541.37	1,369.24	1,009.40
Add/Less: Exceptional Items	94.24	-	-	-
Share of Profit/(Loss) of Associates and Joint Venture	(230.63)	(4.62)	-	-
Profit/(Loss) before tax	**29,664.12**	**40,607.39**	**19,607.12**	**35,199.05**
Current Tax	7,537.50	11,170.59	4,237.00	9,443.00
Prior Period Taxes	400.46	22.69	530.30	22.69
Deferred Tax	(66.36)	(519.35)	254.55	(561.71)
Net Profit after Tax	**21,792.52**	**29,933.46**	**14,585.27**	**26,295.07**
Add: Other Comprehensive Income/(Expense)	815.65	(256.62)	45.58	(143.29)
Total Comprehensive income	**22,608.17**	**29,676.84**	**14,630.85**	**26,151.79**
Earnings per Share (₹) (face value ₹ 1/- per share) Basic:	**21.52**	**32.07**	**16.22**	**30.09**
Diluted:	**21.52**	**32.07**	**16.22**	**30.09**

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

HIGHLIGHTS OF PERFORMANCE:

During the financial year 2025-26, on a standalone basis, your company has recorded revenue from operations of ₹ 42,376.70 Lakhs as against ₹ 93,066.72 Lakhs during the financial year 2024-25. Profit after tax for the financial year 2025-26 stood at ₹ 14,585.27 Lakhs as against ₹ 26,295.07 Lakhs during the financial year 2024-25.

During the financial year 2025-26, on a consolidated basis, your company has recorded revenue from operations of ₹ 68,769.00 Lakhs as against ₹ 97,364.16 Lakhs during the financial year 2024-25. Profit after tax for the financial year 2025-26 stood at ₹ 21,792.52 Lakhs as against ₹ 29,933.46 Lakhs during the financial year 2024-25.

DIVIDEND:

In view of the overall performance of the Comapny, while retaining capital to support future growth and in line with the Dividend Distribution Policy, the Board at its meeting held on May 01, 2026, recommended a final dividend of ₹ 1 per equity share of ₹ 1 each fully paid (i.e., 100% of the face value), subject to the approval of members at the ensuing 33rd 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 21, 2026 ("Record Date"). The total dividend payout will be approximately ₹ 902.90 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 reserve 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.

The Issued, Subscribed and Paid-up Equity Share Capital as on March 31, 2026 was ₹ 902.90 Lakhs. There was no change in the Share Capital during the year under review.

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 ESOP - 2021 Scheme is compliant with Section 62 of the Companies Act, 2013 and the SEBI (SBEB & SE) Regulations.

The disclosures pursuant to SEBI (SBEB & SE) Regulations have been provided in **Annexure I** to this Report

In compliance with the requirements of the SEBI (SBEB & SE) Regulations, a Certificate from the Secretarial Auditors is obtained, confirming that the Schemes have been implemented in accordance with the SEBI (SBEB & SE) Regulations and Shareholders resolution and is uploaded on the website of the Company at https://www.zentechnologies.com/page/annexures-for-the-annual-report.

The Certificate will also be available for electronic inspection by the members during the AGM of the Company.

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, 2026 are tabulated below:

Sr. No.	Name of the Company	% shareholding	Subsidiary/Associate
1	Unistring Tech Solutions Private Limited	51	Subsidiary
2	Zen Technologies Inc, USA	100	Subsidiary
3	Zen Medical Technologies Private Limited	100	Subsidiary
4	Zen Defence Technologies L.L.C,	99	Subsidiary
5	AiTuring Technologies Private Limited	49	Associate
6	Applied Research International Private Limited	100	Subsidiary
7	ARI Labs Private Limited	100	Subsidiary
8	Bhairav Robotics Private Limited	45.33	Associate
9	Vector Technics Private Limited	51	Subsidiary
10	TISA Aerospace Private Limited*	76	Subsidiary
11	Anawave Systems & Solutions Private Limited*	76	Subsidiary

* Acquired during the year under review

Further, during the year under review, Aituring Technologies Private Limited ceased to be a subsidiary of the Company and became an associate Company. The Company does not have any joint venture company 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 and can be accessed at Company's website 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 II** 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 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 ₹ 21,140.35 Lakhs for the year ended March 31, 2026, and Profit after tax was ₹ 5,601.45 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 e-governance of DG Shipping of India.

During the year under review, ARIPL's revenue from operations was ₹ 13,116.45 Lakhs for the year ended March 31, 2026, and Profit after tax was ₹ 3,968.17 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 ₹ 6.11 Lakhs for the year ended March 31, 2026, and Loss for the year was ₹ 0.40 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 ₹ 924.36 Lakhs for the year ended March 31, 2026, and Loss for the year was ₹ 491.96 Lakhs.

Zen Technologies Inc, USA

Zen Technologies Inc, USA is a wholly-owned subsidiary of the Company and is engaged in the business of simulator industry, which complements the parent Company's core competencies. Zen Technologies Inc. is primarily dedicated to offering combat training products to defense and security customers worldwide. It incurred a net loss of USD 6.39 Lakhs for the year ended March 31, 2026.

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 ₹ 2.19 Lakhs for the year ended March 31, 2026.

Zen Defence Technologies L.L.C,

Zen Defence Technologies L.L.C, UAE (ZDT) is a wholly-owned subsidiary in Abu Dhabi 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 0.17 Lakhs for the year ended March 31, 2026.

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

The Company has disclosed the full particulars of the loans given, Investments made, Guarantees given or Securities provided as covered under the provisions of Section 186 of the Companies Act, 2013 in the notes to the Financial Statements forming a part of this Annual Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Appointments:

Based on the recommendation of the Nomination and Remuneration Committee, the Board has considered and approved the following:

a) re-appointment of Mr. Ashok Atluri (DIN: 00056050) as a Chairman and Managing Director of the Company, for a period of 3 (three) consecutive years, with effect from May 01, 2026, liable to retire by rotation.

b) re-appointment of Mr. Kishore Dutt Atluri (DIN: 09691242) as a President and Joint Managing Director of the Company, for a period of 3 (three) consecutive years, with effect from May 01, 2026, liable to retire by rotation.

In this regard, the Board approved the Notice of Postal Ballot dated January 31, 2026, seeking the approval of the Members of the Company, by way of special resolutions, for the aforesaid appointments.

The special resolutions set out in the Notice of Postal Ballot were duly approved by the Members of the Company with the requisite majority on April 24, 2026.

Retirement And Resignation:

Mr. Ravi Kumar Midathala (DIN: 00089921), Whole Time Director of the Company, has completed his tenure of directorship on June 28, 2025 and consequently he ceased to be a Director of the Company w.e.f. June 29, 2025.

Mr. Ajay Kumar Singh (DIN: 08532830), Non-Executive Independent Director of the Company has completed his second term on November 01, 2025 and consequently he ceased to be an Independent Director of the Company w.e.f. November 02, 2025.

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

Retirement By Rotation:

Mr. Ashok Atluri (DIN: 00056050), Chairman and Managing Director, is liable to retire by rotation at the forthcoming 33rd AGM and being eligible, seeks re-appointment. For reference of members, a brief profile of Mr. Ashok Atluri is given in the Notice convening the 33rd AGM.

The Boards of Directors recommends his re-appointment at Item No. 4 of the Notice Calling 33rd Annual General Meeting for consideration of the Shareholders.

The brief resume and other details relating to Mr. Ashok Atluri who is proposed to be re-appointed, as required to be disclosed under Regulation 36(3) of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015, is incorporated in the annexure to the Notice calling 33rd Annual General Meeting.

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 (upto June 28, 2025)
4. Mrs. Shilpa Choudari, Whole-Time Director
5. Mr. Afzal Harunbhai Malkani, Chief Financial Officer, (upto November 30, 2025)
6. Mr. Hari Haran Chalat, Chief Financial Officer, (w.e.f January 31, 2026)
7. Mr. Sourav Dhar, Company Secretary & Compliane Officer

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, 6 (six) 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 director 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. The Board has taken on record the declarations and confirmations submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

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, 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 retirement benefits.

The Company's Nomination and Remuneration Policy is made 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 May 17, 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:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) 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;

c) 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;

d) the directors had prepared the annual accounts on a going concern basis;

e) 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

f) 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.

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 ANNUAL 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, 2026, the Board has the following Committees:

i) Audit Committee
ii) Nomination and Remuneration Committee
iii) Stakeholders Relationship Committee
iv) Corporate Social Responsibility Committee
v) Risk Management Committee
vi) Borrowing Committee
vii) Investment and Finance Committee

The composition of the committees are as follows:

Name of the Committee	Composition of the Committee
Audit Committee	a) Mr. Sanjay Vijay Singh Jesrani, Chairman b) Mr. Ashok Atluri, Member c) Mr. Durga Prasad Kode, Member
Nomination and Remuneration Committee	a) Mr. Sanjay Vijay Singh Jesrani, Chairman b) Ms. Sirisha Chintapalli, Member c) Mr. Durga Prasad Kode, Member
Corporate Social Responsibility Committee	a) Ms. Sirisha Chintapalli, Chairperson b) Mr. Ashok Atluri, Member c) Mrs. Shilpa Choudari, Member
Stakeholders' Relationship Committee	a) Ms. Sirisha Chintapalli, Chairperson b) Mr. Ashok Atluri, Member c) Mr. Sanjay Vijay Singh Jesrani, Member

The composition of the committees are as follows: (Contd.)

Name of the Committee	Composition of the Committee
Risk Management Committee	a) Mr. Sanjay Vijay Singh Jesrani, Chairman b) Mr. Ashok Atluri, Member c) Mr. Kishore Dutt Atluri, Member
Borrowing Committee Investment and Finance Committee	a) Mr. Sanjay Vijay Singh Jesrani, Chairman b) Mr. Kishore Dutt Atluri, Member c) Mrs. Shilpa Choudari, Member d) Mr. Ashok Atluri, Member

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 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 website at https://www.zentechnologies.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 III** to this Report. The Company has obtained approval of the Members for continuing/undertaking RPTs 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 IV** 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 33rd AGM of the Company. Any member interested in obtaining a copy thereof may write to the Company Secretary at cosec@zentechnologies.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.zentechnologies.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, 2026 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 financial year ended March 31, 2026, in accordance with the CSR Rules, is attached as **Annexure V** 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 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 Annual General Meeting held on September 14, 2024, to hold office for a second term of 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 2026-27 at a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty 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 2024-25 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 2025-26 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, M/s. P S Rao & Associates, Practising Company Secretary, (Registration No: P2001TL078000) a peer reviewed firm, has been appointed 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.

The Secretarial Audit Report issued by M/s. P S Rao & Associates for the period under review in Form MR-3 is in **Annexure VI** 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, Practicing 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 2025-26.

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 VIA** and **VIB** to this report.

Annual secretarial compliance report:

The Annual Secretarial Compliance Report for the FY 2025-26 has been submitted to the Stock Exchanges within 60 days from end of the Financial Year ended March 31, 2026.

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 Practicing 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 Practicing 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 a comprehensive internal control framework and procedures to ensure the efficient management of its business operations. Clearly defined roles and responsibilities across management support a structured governance framework.

The Audit Committee plays a key role in assessing the effectiveness of the internal control framework and recommending continuous improvements. The Company benchmarks its internal processes against industry standards and operates a robust Management Information System to support informed decision-making. The Audit Committee works closely with the statutory auditors, regularly reviews key observations and reports significant findings to the Board of Directors. Internal audits are conducted by an independent firm of chartered accountants in accordance with an annual audit plan approved by the Audit Committee.

The Company has identified key financial reporting risks and implemented appropriate control mechanisms to mitigate them. These controls are periodically reviewed and updated to align with evolving business requirements, regulatory developments and technology advancements. Pursuant to Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015, the Audit Committee has confirmed that, as of March 31, 2026, the Company's internal financial controls are adequate and operating effectively.

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 VII** 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 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 Compliance 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 Coporate 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, 2026 to May 01, 2026.

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 ₹ 50,323 relating to FY 2017-18, which remained unclaimed for a period of 7 years was transferred to the Investor Education and Protection Fund by the Company in November, 2025.

Further, during the year under review, the Company transferred 6,458 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 website of the Company at 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 33rd Annual General Meeting of the Company including the Annual Report for FY 2025-26 are being sent to all members whose e-mail addresses are registered with the Company/ Depository Participant(s).

WEB-LINKS OF VARIOUS POLICIES

The web-links of various policies are provided herewith:

Sr. 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 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 2025-26.

APPLICATION UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016 during the FY 2025-26.

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 01, 2026

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Annexure-I

The Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are detailed under: For FY 26:

Sl. No.	Particulars	Status of compliance
1.	The Board of Directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is/are in compliance with the regulations.	The scheme is in compliance with SEBI (Share Based Employee Benefits And Sweat Equity) Regulations, 2021.
2.	Further, the following details, inter alia, shall be disclosed on the company's website and a web-link thereto shall be provided in the report of the Board of Directors.	https://www.zentechnologies.com/investor-information
A.	Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.	Disclosed in Note No. 46 of Standalone Financial Statements of the Company for the year ended March 31, 2026.
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.	Disclosed in Note No. 37 of Standalone and No. 36 of Consolidated Financial Statements of the Company for the year ended March 31, 2026.
C.	**Details related to Employees Stock Option Scheme (ESOS) Zen Technologies Limited Employees Stock option Plan – 2021 ("ZEN ESOS 2021"/ "Scheme")**	
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including –	
	(a) Date of shareholders' approval	August 28, 2021
	(b) Total number of options approved under ESOS	40,00,000
	(c) Vesting requirements	ESOPs granted under this Plan would Vest not earlier than minimum Vesting Period of 1 (One) year or such other period as may be prescribed under applicable laws and not later than maximum Vesting Period of 5 (Five) years from the date of Grant of such ESOPs.
	(d) Exercise price or pricing formula	The Exercise Price shall be determined the Nomination and Remuneration Committee which shall not be less than the face value of the Shares and not higher than the prevailing Market Price (on Stock Exchange with highest volume) of the Shares of the Company as on the Grant Date as discounted by such percentage as may be determined by the Committee in its absolute discretion.
	(e) Maximum term of options granted	5 (Five) years from the date of the Grant
	(f) Source of shares (primary, secondary or combination)	Secondary
	(g) Variation in terms of options	Not Applicable
(ii)	Method used to account for ESOS - Intrinsic or fair value.	Fair Value Method
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable
(iv)	Option movement during the year (for each ESOS):	

The Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are detailed under: For FY 26: (Contd.)

Sl. No.	Particulars	Details
	Number of options outstanding at the beginning of the period	35,18,100
	Number of options granted during the year	1,65,250
	Number of options forfeited/lapsed during the year*	1,41,500
	Number of options vested during the year	39,500
	Number of options exercised during the year	39,400
	Number of shares arising as a result of exercise of options	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
	Loan repaid by the Trust during the year from exercise price received	₹ 80.34 Lakhs
	Number of options outstanding at the end of the year	34,94,350
	Number of options exercisable at the end of the year	3,760
(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	₹ 244.41
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -	
	(a) senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;	**Name** / **Designation** / **No. of Unvested Options**: Nil / Nil / Nil
	(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Nil
	(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	Nil
	(a) i). the weighted-average values of share price,	₹ 1152.71
	ii). exercise price,	₹ 100 and ₹ 500
	iii). expected volatility,	55.37%
	iv). expected option life,	1-5 Years
	v). expected dividends	₹ 1
	vi). the risk-free interest rate and	6.53%
	vii). any other inputs to the model;	NA
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	Nil
	(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The scheme was drawn up in accordance with the then guidelines of SEBI as such this assumption was not applicable

The Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are detailed under: For FY 26: (Contd.)

Sl. No.	Particulars	Details
	(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	The scheme was drawn up in accordance with the then guidelines of SEBI as such this assumption was not applicable
D.	**Details related to Zen ESOP Trust for the 2026 Scheme**	
(i)	General information on schemes	
1.	Name of the Trust	Zen Technologies Employees Welfare Trust
2.	Details of the Trustee(s)	Ms. Sujana, Mr. Vamsi and Mr. Vijaya Rama Rao
3.	Amount of loan disbursed by company/any company in the group, during the year	NIL
4.	Amount of loan outstanding (repayable to company/ any company in the group) as at the end of the year	₹889.30 Lakhs
5.	Amount of loan, if any, taken from any other source for which company/any company in the group has provided any security or guarantee	Nil
6.	Any other contribution made to the Trust during the year	Nil
(ii)	Brief details of transactions in shares by the Trust	
	Number of shares held at the beginning of the year;	3,95,910
	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	Nil
	Number of shares transferred to the employees/ sold along with the purpose thereof;	39,400
	Number of shares held at the end of the year.	3,56,510
(iii)	In case of secondary acquisition of shares by the Trust	
	Number of shares	**As a percentage of the paid-up equity capital as at the end of the year immediately preceding the year in which shareholders approval was obtained**
	Held at the beginning of the year	3,95,910
	Acquired during the year	Nil
	Sold during the year	Nil
	Transferred to the employees during the year	39,780
	Held at the end of the year (31.03.2026)	3,56,510 (0.44%)

Annexure-II

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	Zen Technologies Inc. USA	Unistring Tech Solutions Private Limited	Zen Medical Technologies Private Limited	Zen Defence Technologies LLC	Vector Technics Private Limited	Applied Research International Private Limited	ARI Labs Private Limited	TISA Aerospace Private Limited	Anawave Systems & Solutions Private Limited
2	Date since it is subsidiary	March 09, 2018	May 08, 2019	September 29, 2020	November 15, 2022	February 24, 2025	February 28,2025	February 28,2025	June 30,2025	November 21,2025
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1 USD =94.65 INR	NA	NA	1 AED =25.45 INR	NA	NA	NA	NA	NA
5	Share capital (₹ in lakhs)	10,120.78	56.63	75.20	34.00	1.81	132.87	3.51	71.36	2.87
6	Reserves & surplus	(1,385.35)	12,043.34	(37.23)	(7.40)	1,387.24	10,634.10	28.24	(153.00)	791.82
7	Total assets	9,199.05	21,658.61	38.47	32.54	2,834.97	12,809.09	602.39	408.15	1,245.44
8	Total Liabilities	463.62	9,321.39	0.50	5.94	1,445.92	2,035.87	570.64	489.79	450.75
9	Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.06
10	Turnover	-	21,140.35	-	-	924.36	13,116.45	6.11	-	1.14
11	Profit before taxation	(564.49)	7,499.59	(2.19)	(1.77)	(680.67)	5,182.63	1.78	(146.47)	26.91
12	Provision for taxation	-	1,898.13	-	(0.40)	(188.72)	1,214.46	2.18	(99.60)	23.70
13	Profit after taxation	(564.49)	5,601.45	(2.19)	(1.37)	(491.96)	3,968.17	(0.40)	(46.87)	3.22
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
15	% of shareholding	100%	51%	100%	100%	51%	100%	100%	76%	76%

Notes:

1. Names of subsidiaries which are yet to commence operations: Zen Technologies, Inc. and Zen Defence Technologies LLC
2. 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	AiTuring Technologies Private Limited
2	Date on which the associate was associated or acquired	March 18, 2025	Sep 18, 2025
3	Share of Associate held by the Company on the year end		
	a) Number	9205 shares	10409 shares
	b) Amount of Investment in Associate	399.95 Lakhs	387.00 Lakhs
	c) Extent of Holding %	45.33%	49%

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

1	Name of the Associate	Bhairav Robotics Private Limited	AiTuring Technologies Private Limited
4	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	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
5	Reason why the associate is not consolidated	NA	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet	126.12 Lakhs	5144.09 Lakhs
7	Profit/Loss for the year		
	A) Considered in Consolidation	(91.74) Lakhs	(133.50) Lakhs
	B) Not considered in Consolidation	-	-

For and on behalf of the Board

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Place: Hyderabad
Date: May 01, 2026

Annexure-III

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.

1. 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.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Unistring Tech Solutions Private Limited (UTS), Subsidiary Company	Purchase of capital good	Ongoing	₹ 7,574.48 Lakhs	May 17, 2025	-
2		Purchase of material goods and advance for material supplies	Ongoing	₹ 3,927.27 Lakhs		-
3	Mr. Arjun Dutt Atluri	Remuneration	Ongoing	₹ 80.45 Lakhs		-

For and on behalf of the Board

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Place: Hyderabad
Date: May 01, 2026

Annexure-IV

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:

Sr. 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	142.13	-37.83%
2	Mr. Kishore Dutt Atluri, President and Joint Managing Director	112.51	-44.55%
3	Mr. M. Ravi Kumar, Whole-time Director*	3.21	-
4	Mrs. Shilpa Choudari, Whole-time Director	10.62	0.31%
5	Mr. Sanjay Vijay Kumar Jesrani, Non Executive Independent Director@	-	-
6	Mr. Durga Prasad Kode, Non Executive Independent Director@	-	-
7	Ms. Sirisha Chintapalli, Non Executive Independent Director@	-	-
8	Mr. Afzal Harunbhai Malkani, Chief Financial Officer*	15.93	-
9	Mr. Sourav Dhar, Company Secretary & Compliance Officer	3.46	-
10	Mr. Hari Haran Chalat, Chief Financial Officer*	3.08	-

*The remuneration paid in FY 2025-26 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 wavied off his sitting fee for attending the Board and Committee Meeting during the FY 2025-26.

$Mr. M Ravi Kumar ceased to be Whole Time Director of the Company w.e.f June 29, 2025

^Mr. Afzal Harunbhai Malkani ceased to be the Chief Financial Officer of the Company w.e.f November 30, 2025

&Mr. Hari Haran Chalat appointed as Chief Financial Office of the Company w.e.f January 31, 2026

(ii) The percentage increase in the median remuneration of employees in the financial year: 17.35%

(iii) The number of permanent employees on the rolls of Company: There were 421 permanent employees on the rolls as on March 31, 2026.

(iv) The average percentage increase already made in the salaries of employees other than managerial personnel was 11 %.

(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

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Place: Hyderabad
Date: May 01, 2026

Annexure-V

Annual Report on CSR Activities for the FY 2025-26

(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:

Sr. 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	Chairperson	1	1
2.	Mr. Ashok Atluri	Member	1	1
3.	Mrs. Shilpa Choudari	Member	1	1

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.

a) Composition of the CSR committee: https://www.zentechnologies.com/leader/board-committees

b) CSR Policy at: https://www.zentechnologies.com/policies-and-code-of-conduct

c) 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.

5. a) Average net profit of the company as per sub-section (5) of section 135: **₹ 20,014.11 Lakhs**

b) Two percent of average net profit of the company as per sub-section (5) of section 135: **₹ 400.29 Lakhs**

c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **Nil**

d) Amount required to be set-off for the financial year, if any: **Nil**

e) Total CSR obligation for the financial year [(b)+(c)-(d)]. **₹ 400.29 Lakhs**

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹ 130.00 Lakhs**

b) Amount spent in Administrative Overheads: **Nil**

c) Amount spent on Impact Assessment, if applicable: **Nil**

d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹ 130.00 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.
₹ 130.00 Lakhs	₹ 270.29 Lakhs	April 22, 2026	-	Nil	-

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

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

Sr. 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		
1	FY 2024-2025	82.45	82.45	16.39	Nil	Nil	66.06	-

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

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Sirisha Chintapalli
Chairperson of the Committee
DIN: 08407008

Place: Hyderabad
Date: May 01, 2026

Annexure-VI

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,
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, 2026** 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, 2026** 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:

Sr. No.	Name of the Director	Appointment/ Cessation/ Reappointment	Our Comments
1	Mrs. Shilpa Choudari	Reappointment	Re-appointed as a Director at the 32nd Annual General Meeting held on August 23, 2025 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 28th, 2025 vide Circular Resolution dated March 29th, 2025 and was regularized as an Independent Director vide Shareholders Resolution dated May 13th, 2025 through Postal Ballot.
3	Mr. Ravindra Kumar Tyagi	Cessation	Ceased to be Independent Director of the Company W.e.f. April 01, 2025 upon completion of his term.
4	Mr. Ravi Kumar Midathala	Cessation	Ceased to be Whole-time director as well as of the Company W.e.f. June 28, 2025 upon Retirement.
5	Dr. Ajay Kumar Singh	Cessation	Ceased to be Independent Director of the Company W.e.f. November 02, 2025 upon completion of his term.
6	Mr. Afzal Harunbhai Malkani	Cessation	Resigned from the position of Chief Financial Officer of the Company w.e.f. November 02, 2025.
7	Mr. Hari Haran Chalat	Appointment	Appointed as Chief Financial Officer of the Company w.e.f. January 31, 2026.

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 granted a total of 1,65,250 Employee Stock Options (ESOPs) at an exercise price of ₹ 250/- per option on October 25, 2025 and March 30, 2026 in terms of "Zen Technologies Limited Employee Stock Option Plan – 2021".

We further report that during the year under review, 39,400 Equity Shares were transferred to eligible employees from Zen Technologies Employees Welfare Trust upon vesting and exercise of Employee Stock Options (ESOPs) in terms of "Zen Technologies Limited Employee Stock Option Plan – 2021. During the year 1,41,500 options were forfeited in terms of ESOP Plan.

We further report that, during the year under review, in terms of the provisions of Section 124(5) of the Act, an amount of ₹ 50,322.60 being the Unclaimed Dividend of FY 2017-18, 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, 6,458 equity shares belonging to 15 shareholders were transferred to the Investor Education and Protection Fund (IEPF). After affecting this transfer of claims, 1,44,163 shares were lying in the IEPF account as on March 31, 2026.

For P.S.RAO & ASSOCIATES
COMPANY SECRETARIES

CS P.S. RAO
M. No.: F10322
C. P. No.: 3829
UDIN: F010322H000249253
PEER REVIEW CER NO.: 6678/2025

Place: Hyderabad
Date: May 01, 2026

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
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.

For P.S.RAO & ASSOCIATES
COMPANY SECRETARIES

CS P.S. RAO
M. No.: F10322
C. P. No.: 3829
UDIN: F010322H000249253
PEER REVIEW CER NO.: 6678/2025

Place: Hyderabad
Date: May 01, 2026

Annexure-VIA

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended 31st March 2026

[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.

I 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 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 the Secretarial Audit, I hereby report that, in my opinion, the company has, during the audit period covering the financial year ended **March 31, 2026** 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 **March 31, 2026** 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;

(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;

I 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:

I 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:

Sr. No.	Name of the Director	Our Comments
1	Srinivasa Raju Kolahalam	Re-appointed as a Whole-time Director and CEO for a period of 3 years w.e.f. December 01, 2025.
2	Sreenivas Rao Yellamanchali	Appointed as additional director of the Company in the category of independent director for a period of 3 years w.e.f. September 13, 2025 and same was regularized as an independent director at 19th Annual General Meeting held on September 27, 2025.
3	Nagendra Babu Samineni	Re-appointed as a Director at the 19th Annual General Meeting held on September 27, 2025 upon retirement by rotation in accordance with the provisions of Sec. 152 of Companies Act, 2013.
4	Ajay Kumar Singh	Ceased to be an Independent Director of the Company upon completion of term w.e.f. March 9, 2026.

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: (Contd.)

Sr. No.	Name of the Director	Our Comments
4	Sanjay Vijay Singh Jesrani	Appointed as additional director of the Company in the category of independent director w.e.f. March 21, 2026 and same was regularized as an independent director vide shareholders' approval dated April 04, 2026.

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.

I further report that based on my 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.

I 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.

I 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.

CS D.S. RAO; PCS
M. No.: A12394
C. P. No.: 14487
UDIN: A012394H000199185
Peer Review Cert. No.: 1817/2022

Place: Hyderabad
Date: 25-04-2026

Note: This report is to be read with my 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.

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I 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. I believe that the processes and practices i followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I 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. My 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. I have relied on the information/ documents received from the respective officials of the Company for forming my opinion and for eventual reporting thereof.

CS D.S. RAO; PCS
M. No.: A12394
C. P. No.: 14487
UDIN: A012394H000199185
Peer Review Cert. No.: 1817/2022

Place: Hyderabad
Date: 25-04-2026

Annexure-VIB

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended 31st March 2026

[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,
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, 2026 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, 2026 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. were 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, 2026, 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 2025-26, the Company was required to spent ₹ 26.00 Lac (₹ Twenty Six 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. Changes 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 2025-26, following changes took place in the composition of Board of Directors.

i. Mr. Sanjay Kumar was appointed as Whole Time Director of the Company at the Extra ordinary General Meeting ("EGM") held on July, 31, 2025.

ii. Mr. Shravan Rewari resigned from the directorship of the Company on October 16, 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:

During the financial year ended on March 31, 2026, 3,18,878, (Three Lakh Eighteen Thousand Eight Hundred Seventy Eight) equity shares placed in Escrow Account with Axis Trustee Services Limited , were transferred on October, 16, 2025 to its holding company 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**").

I further report that:

During the financial year ended on March 31, 2026, the Company had overseas subsidiaries in the United States of America, Singapore and the United Kingdom.

The wholly owned subsidiary incorporated in the United Kingdom, which had remained non-operative since its incorporation in 2022, was dissolved/struck off during the year in accordance with the applicable laws of the United Kingdom and regulations governing overseas direct investment.

The subsidiaries in the United States of America and Singapore continue to exist as on the date of this report, with the subsidiary in the United States being operational.

Based on our examination of records and information made available to us, we report that the Company has complied with the applicable provisions of the, rules made thereunder and other applicable laws, including the provisions relating to overseas direct investment.

Considering that the Company is a material subsidiary of a listed entity, the above has been disclosed as a material event impacting the investment structure of the Company. In our opinion, the same does not have any adverse impact on the operations of the Company.

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.

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

Place: New Delhi
Date: April 22, 2026

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
44/14, 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.

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

Place: New Delhi
Date: April 22, 2026

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:

a. The Company is energy conscious. All types of driving simulators manufactured by the Company with high-rated, power-saving servo motors.

b. 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.

c. 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.

d. 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.

e. 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.

f. 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.

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

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

i. 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 ₹ 3,689.60 Lakhs as R&D expenditure (capital and revenue) for the financial year 2025-26 for the development of various products. The Company has incurred 8.70% 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 2025-26	FY 2024-25	FY 2023-24
Earned during the year	25,565.26	15,058.21	15,058.21
Used during the year	4,510.76	3,133.93	3,188.16

For and on behalf of the Board

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Place: Hyderabad
Date: May 01, 2026

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, 2026 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 longterm 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.

As on March 31, 2026, the Board consists of 6 (six) Directors, comprising 3 (three) Executive Directors and 3 (three) 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 total Directorship(s) including this listed entity	Number of Membership(s)/ Chairmanship(s) of Audit Committee/Stakeholders Relationship Committee including this listed entity (Refer Regulation 26(1) of SEBI Listing Regulations)**		Directorship in other listed company(ies) and category of directorship
				Chairman	Member	
Mr. Ashok Atluri	00056050	Executive Director – Chairman and Managing Director	5	-	3	-
Mr. Kishore Dutt Atluri	09691242	Executive Director - President and Joint Managing 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 total Directorship(s) including this listed entity	Number of Membership(s)/ Chairmanship(s) of Audit Committee/Stakeholders Relationship Committee including this listed entity (Refer Regulation 26(1) of SEBI Listing Regulations)**		Directorship in other listed company(ies) and category of directorship
				Chairman	Member	
Mrs. Shilpa Choudari	06646539	Executive Director - Whole-time Director	2	-	-	-
Mr. Sanjay Vijay Singh Jesrani	02306916	Non Executive Independent Director	3	2	2	Visaka Industries Limited - Non Executive Independent Director
Ms. Sirisha Chintapalli	08407008	Non Executive Independent Director	2	3	3	
Mr. Durga Prasad Kode	07946821	Non Executive Independent Director	4	3	2	Nava Limited - Non Executive Independent Director CCL Products (INDIA) Limited - Non Executive Independent Director

*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. Ajay Kumar Singh, Independent Directors of the Company completed his 2nd term of 3 consecutive years as an Independent Director of the Company with effect from November 02, 2025

****Mr. Ravi Kumar Midathala ceased to be Whole Time Director and Key Managerial Personnel of the Company with effect from June 29, 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, 2026, six (6) board meetings were held on May 17, 2025, June 21, 2025, July 26, 2025, October 25, 2025, November 05, 2025 and January 31, 2026. 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 2025-26	Mr. Ashok Atluri	Mr. Kishore Dutt Atluri	Mr. Ravi Kumar Midathala	Ms. Shilpa Choudari	Mr. Sanjay Vijay Singh Jesrani	Dr. Ajay Kumar Singh	Ms. Sirisha Chintapalli	Mr. Durga Prasad Kode	Total Present	Total Absent
17-May-25									100%	0
21-Jun-25									100%	0
26-Jul-25			NA						100%	0
25-Oct-25			NA						100%	0
05-Nov-25			NA			NA			100%	0
31-Jan-26			NA			NA			100%	0
AGM on August 23, 2025			NA						100%	0

In Person | Video Conference Mode | NA Not Applicable

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.zentechnologies.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 of Directors) Rules, 2014.

A separate meeting of Independent Directors was held on May 17, 2025, without the presence of executive directors and other members of management. During this meeting, the independent directors inter-alia review the performance of the Non-Independent Directors and the Board as a whole, review the performance of Chairman of the Company and assess 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, 2026. Dr. Ajay Kumar Singh ceased to be an Independent Director of the Company upon the completion of the tenure with effect from November 02, 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, 2026 are as follows:

Sr. No.	Name of the Director	No. of shares held
1	Ms. Sirisha Chintapalli	Nil
2	Mr. Sanjay Vijay Kumar Jesrani	21,500
3	Mr. Durga Prasad Kode	1,890

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:

a) Knowledge of the industry in which the Company operates
b) Knowledge on Company's businesses & major risks
c) Leadership and Strategic Planning
d) Research & Development
e) Finance
f) Operations, Sales & Marketing
g) Corporate Governance

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

Name	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	●	●	●	●	●	●	●
Mrs. Shilpa Choudari	●	●	●	○	●	●	●
Mr. Sanjay Vijay Singh Jesrani	●	●	●	○	●	●	●
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 hereby given in the Corporate Governance Report.

The Composition of the Board Committees are available on the Company's website at https://www.zentechnologies.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, 2026, the Audit Committee comprises of Mr. Sanjay Vijay Singh Jesrani, Chairman, Mr. Ashok Atluri, Mr. Durga Prasad Kode 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:

i) 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;

ii) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;

v) 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;

vi) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

vii) approval or any subsequent modification of transactions of the listed entity with related parties;

viii) scrutiny of inter-corporate loans and investments;

ix) valuation of undertakings or assets of the listed entity, wherever it is necessary;

x) evaluation of internal financial controls and risk management systems;

xi) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xii) 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;

xiii) discussion with internal auditors of any significant findings and follow up there on;

xiv) 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;

xv) Approval of appointment of Chief Financial Officer; and

xvi) 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 17, 2025; July 26, 2025; October 25, 2025 and January 31, 2026 and the attendance of members is as follows:

Date of Audit Committee Meeting during FY 2025-26	Mr. Sanjay Vijay Singh Jesrani	Dr. Ajay Kumar Singh	Mr. Ashok Atluri	Mr. Durga Prasad Kode	Total Present	Total Absent
17-May-25				NA	100%	0
26-Jul-25				NA	100%	0
25-Oct-25					100%	0
31-Jan-26		NA			100%	0

NA Not Applicable

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 August 23, 2025.

Communication framework with the Statutory Auditor:

In compliance with the circular dated 7th January, 2026 issued by the National Financial Reporting Authority ("NFRA"), the Committee recommended a formal communication framework to formalise a structured and transparent engagement between the Those Charged with Governance ("TCWG") and the Statutory Auditors.

In line with this framework, the Nodal Persons of the Board met with the Statutory Auditors during the year and, inter-alia, discussed the interim audit strategy and planning, audit scope and approach, status of interim audit procedures, and certain significant and non-recurring audit matters. The Nodal Persons subsequently apprised the TCWG of these discussions and key outcomes for their review and noting.

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, 2026, the Nomination and Remuneration Committee comprises of Mr. Sanjay Vijay Singh Jesrani, Chairman, Mr. Durga Prasad Kode 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 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:

i) 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;

ii) formulation of criteria for evaluation of performance of independent directors and the board of directors;

iii) devising a policy on diversity of board of directors;

iv) 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;

v) 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;

vi) recommend to the board, all remuneration, in whatever form, payable to senior management.

Meeting:

During the year, the Nomination and Remuneration Committee met 3 (three) times on May 17, 2025; October 25, 2025 and January 31, 2026 and the attendance of members is as follows:

Date of Nomination and Remuneration Committee Meeting during FY 2025-26	Mr. Sanjay Vijay Singh Jesrani	Mr. Durga Prasad Kode	Dr. Ajay Kumar Singh	Ms. Sirisha Chintapalli	Total Present	Total Absent
17-May-25		NA			100%	0
25-Oct-25		NA			100%	0

Date of Nomination and Remuneration Committee Meeting during FY 2025-26	Mr. Sanjay Vijay Singh Jesrani	Mr. Durga Prasad Kode	Dr. Ajay Kumar Singh	Ms. Sirisha Chintapalli	Total Present	Total Absent
31-Jan-26			NA		100%	0

NA Not Applicable

The Company Secretary acts as the Secretary to the Committee. Mr. Sanjay Vijay Singh Jesrani, Independent Director and Chairman of the Committee was present at the Annual General Meeting of the Company held on August 23, 2025.

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 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:

i) **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, 2026, 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:

i) Review investor complaints and their redressal;

ii) Review measures are taken for effective exercise of voting rights by shareholders;

iii) Review work done by the share transfer agent including adherence to the service standards;

iv) Review of corporate actions related to security holders;

v) 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 January 31, 2026 and the attendance of members is as follows:

Date of Stakeholders Relationship Committee Meeting during FY 2025-26	Ms. Sirisha Chintapalli	Mr. Sanjay Vijay Singh Jesrani	Mr. Ashok Atluri	Total Present	Total Absent
31-Jan-26				100%	0

Mr. Sourav Dhar, Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee. Ms. Sirisha Chintapalli, Independent Director and Chairperson of the Committee was present at the Annual General Meeting of the Company held on August 23, 2025.

The Company has received 1 complaint during the financial year 2025-26; resolved 1 complaint and no complaint was pending as on March 31, 2026.

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, 2026, the Risk Management Committee comprises of Mr. Sanjay Vijay Singh Jesrani, Chairman, Mr. Ashok Atluri 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:

i) 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.

ii) Monitor and oversee implementation of the risk management policy, including evaluation of the adequacy of risk management systems.

iii) 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 26, 2025 and January 31, 2026 and the attendance of members is as follows:

Date of Risk Management Committee Meeting during FY 2025-26	Mr. Sanjay Vijay Singh Jesrani	Mr. Ashok Atluri	Mr. Kishore Dutt Atluri	Dr. Ajay Kumar Singh	Total Present	Total Absent
26-Jul-25					100%	0
31-Jan-26				NA	100%	0

NA Not Applicable

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, 2026, the Corporate Social Responsibility Committee comprises of Ms. Sirisha Chintapalli, Chairperson, Mrs. Shilpa Choudari and Mr. Ashok Atluri as members.

Brief description of terms of reference:

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

i) 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;

ii) 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.

iii) 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 1 (one) time on May 17, 2025 and the attendance of members are as follows:

Date of Corporate Social Responsibility Committee Meeting during FY 2025-26	Ms. Sirisha Chintapalli	Mrs. Shilpa Choudari	Mr. Ashok Atluri	Mr. Ravi Kumar Midathala	Total Present	Total Absent
17-May-25					100%	0

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 2025-26 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.

Sr. No.	Name	Designation	Salary	Perquisites	Commission	Total amount (₹ in Lakh per annum)
1)	Mr. Ashok Atluri	Chairman & Managing Director	210.00	3.16	590.03	803.19
2)	Mr. Kishore Dutt Atluri	President & Joint Managing Director	210.00	2.06	423.77	635.83
3)	Mr. Ravi Kumar Midathala*	Whole Time Director	18.15	0	0	18.15
4)	Mrs. Shilpa Choudari	Whole Time Director	60.00	0	0	60.00

*Remuneration upto June 28, 2025.

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 2025-26 is given below:

Sr. No.	Name	Designation	Total amount (₹ in Lakh per annum)
1	Mr. Sanjay Vijay Singh Jesrani	Non Executive Independent Director	8.25
2	Ms. Sirisha Chintapalli	Non Executive Independent Director	4.50
3	Mr. Durga Prasad Kode	Non Executive Independent Director	6.75

** Dr. Ajay Kumar Singh has waived off his sitting fee for attending the Board and Committee meetings during the FY 2025-26

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 & time	Venue	Special resolution(s) Passed Number
2024-25	August 23, 2025 at 09.30 a.m. (IST)	Video Conference/Other Audio Visual Means (OAVM)	Nil
2023-24	September 14, 2024 at 11.00 a.m. (IST)	Video Conference/Other Audio Visual Means (OAVM)	Nil
2022-23	September 16, 2023 at 11.00 a.m. (IST)	Video Conference/Other Audio Visual Means (OAVM)	5

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. FCS 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 Companies Act, 2013 ("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, General Circular No. 09/2024 dated September 19, 2024 and General Circular No. 03/2025 dated September 22, 2025 issued by Ministry of Corporate Affairs ("MCA Circulars"), read with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2025-26.

a) Appointment of Mr. Durga Prasad Kode (DIN: 07946821) as an 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	Evoting	4,42,85,483	4,42,85,483	100.00	4,42,85,483	0	100.00	0
Public institution		1,39,18,942	1,10,34,331	79.2756	1,09,60,282	74,049	99.3289	0.6711
Public non institution		3,20,85,931	5,27,162	1.6430	5,19,460	7,702	98.5390	1.4610
Total		**9,02,90,356**	**5,58,46,976**	**61.8526**	**5,57,65,225**	**81,751**	**99.8536**	**0.1464**

b) To approve material related party transactions with Unistring Tech Solutions Private Limited

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	4,42,85,483	4,41,65,483	99.7290	4,41,65,483	0	100.00	0
Public institution		1,37,92,967	1,07,83,642	78.1822	1,07,20,488	63,154	99.4144	0.5856
Public non institution		3,22,11,906	2,29,211	0.7116	2,20,056	9,155	96.0059	3.9941
Total		**9,02,90,356**	**5,51,78,336**	**61.1121**	**5,51,06,027**	**72,309**	**99.8690**	**0.1310**

c) Increase in remuneration payable to related party Mr. Arjun Dutt Atluri, Vice President, holding office or place of profit

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	4,42,85,483	2,47,54,513	55.8976	2,47,54,513	0	100.00	0
Public institution		1,37,92,967	1,07,83,642	78.1822	31,09,458	76,74,184	28.8350	71.1650
Public non institution		3,22,11,906	2,27,292	0.7056	2,12,623	14,669	93.5462	6.4538
Total		**9,02,90,356**	**3,57,65,447**	**39.6116**	**2,80,76,594**	**76,88,853**	**78.5020**	**21.4980**

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) 33rd Annual General Meeting:

Day & Date	Saturday, August 29, 2026
Time	09:30 a.m. (IST)
Venue	In compliance with General Circular No. 03/2025 dated September 22, 2025, 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 ₹ 1 per equity share of face value of ₹ 1 each, for approval of members at the 33rd 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 21, 2026. For more details, refer to the 'TDS Instructions on Dividend Distribution' which forms part of the notice convening the 33rd 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 FY26 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 & 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: einward.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, 2026:

Sr. No.	Category	No. of Shareholders	%	No. of Shares	%
1	1-5000	3,13,498	99.81	2,21,69,023	24.53
2	5001- 10000	266	0.08	19,25,092	2.13
3	10001- 20000	164	0.05	23,04,075	2.59
4	20001- 30000	51	0.02	12,18,275	1.35
5	30001- 40000	21	0.01	7,41,473	0.82
6	40001- 50000	18	0.01	8,02,297	0.89
7	50001- 100000	24	0.01	16,49,182	1.83
8	100001 & Above	50	0.02	5,94,80,939	65.88
	Total:	**3,13,922**	**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, 2026, 99.91% of the Company's paid-up 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	7,29,98,323	80.85%
Held in dematerialized form in CDSL	1,72,05,793	19.06%
Held in physical form	86,240	0.09 %
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 and SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026 read with Circular No. SEBI/HO/MIRSD/POD1/P/CIR/2024/81 dated June 10, 2024, 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).

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	Sourav Dhar
Unit: Zen Technologies Limited	Company Secretary and Compliance Officer
Selenium Tower B, Plot No 31 & 32,	Zen Technologies Limited, B-42, Industrial Estate, Sanathnagar,
Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032	Hyderabad - 500 018, Telangana, India
Phone: +91 -40 - 67161606	Phone: +91-40 - 23814894, 23813294
Fax: + 91- 40 - 23001158	Fax: +91-40 – 23813694
Email id: einward.ris@kfintech.com	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" 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 2025-26 were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the 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 2025–26, the members, through postal ballot, approved the Company's proposal to enter into Material Related Party Transactions with Unistring Tech Solutions Private Limited, a subsidiary company, up to an amount of ₹750 crore.

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.zentechnologies.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 appropriately communicated within the organisation about the mechanism and have been provided direct access to the Chairman of the Audit Committee. The mechanism also lays 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.zentechnologies.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.zentechnologies.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):

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/- (Rupee One) 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, 2026, 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	41,000
2)	Funding inorganic growth through acquisitions and other strategic initiatives	35,000	17,142
3)	General corporate purposes	21,951	12,234
4)	Issue Expense	2,049	2,049
	Total	**1,00,000**	**72,425**

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 2025-26.

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, 2026:

Sr. No.	Object for which funds have been utilized	Funds Allocated (₹ in Lakhs)
1)	Fees for Audit and related services	15.00
2)	Fees for Non-Audit services	3.70
	Total	**18.70**

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.

Below are the details of complaints received/resolved during the year under review.

Sr. No.	Particulars	Number of complaints
1)	Number of complaints pending at the beginning of FY26	0
2)	Number of complaints filed during FY26	0
3)	Number of complaints disposed off during FY26	0
4)	Number of complaints pending as at end of FY26	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 regularly 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 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) CMD and CFO Certificate:

In accordance with the provisions of Regulation 17(8) of the SEBI Listing Regulations, certificate of CMD and CFO in relation to the financial statements for the year ended March 31, 2026, 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. Reports on matters related to Insider Trading Regulations are reported to the Audit Committee, wherever required.

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

t) Details of Senior Management:

List of Senior Management Personnel

Sr. No.	Name	Designation
1)	Mr. Ashok Atluri	Chairman & Managing Director
2)	Mr. Kishore Dutt Atluri	President & Joint Managing Director
3)	Mrs. Shilpa Choudari	Whole Time Director
4)	Mr. Hari Haran Chalat	Chief Financial Officer
5)	Mr. Sourav Dhar	Company Secretary & Compliance Officer

Changes in Senior Management Personnel during the financial year

Sr. No.	Name	Designation	Details of Change	Effective Date
1)	Mr. Afzal H Malkani	Chief Financial Officer	Resignation	November 30, 2025
2)	Mr. Hari Haran Chalat	Chief Financial Officer	Appointment	January 31, 2026
3)	Ms. Gowri Chintala Siddamshetty	Chief Human Resource Officer	Resignation	July 04, 2025
4)	Mr. Ravi Kumar Midathala	Whole Time Director	Retirement	June 29, 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, 2026.

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Place: Hyderabad
Date: May 01, 2026

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, 2026, and that to the best of their knowledge and belief:

   a. these results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   b. 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 their 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 they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   a. significant changes in internal control over financial reporting during the financial year ended on March 31, 2026;

   b. significant changes in accounting policies during the financial year ended on March 31, 2026, and that the same have been disclosed in the notes to the financial results, if any; and

   c. instances of significant fraud of which they 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

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Hari Haran Chalat
Chief Financial Officer

Place: Hyderabad
Date: May 01, 2026

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, 2026**, 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 us 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 we deem necessary to arrive at an opinion.

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are 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, 2026**.

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.

For P.S.RAO & ASSOCIATES
COMPANY SECRETARIES

CS P.S. RAO
FCS No.: 10322
C.P. No.: 3829
UDIN: F010322H000249385
PEER REVIEW CER NO.: 6678/2025

Place: Hyderabad
Date: May 01, 2026

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, 2026, 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.

Sr. 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	SHILPA CHOUDARI	Whole-time Director	06646539
4	SIRISHA CHINTAPALLI	Independent Director	08407008
5	SANJAY VIJAY SINGH JESRANI	Independent Director	02306916
6	KODE DURGA PRASAD	Independent Director	07946821

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.

For P.S.RAO & ASSOCIATES
COMPANY SECRETARIES

CS P.S. RAO
FCS No.: 10322
C.P. No.: 3829
UDIN: F010322H000249407
PEER REVIEW CER NO.: 6678/2025

Place: Hyderabad
Date: May 01, 2026

Business Responsibility & 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	2025-26
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. 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	Name: Mr. Sourav Dhar Company Secretary & Compliance Officer Telephone: 040-2381 4894/3294 Email id: 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).	Disclosures made in this report are on standalone basis
14.	Name of assurance provider	TUV India Private Limited
15.	Type of assurance obtained	Reasonable assurance for BRSR core indicators

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 total turnover contributed
1	Designing, Developing and Manufacturing 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
1	Training Solutions, Counter – Drone Solutions and Operational Equipment	26700	91.18%

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	0	3	3

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States/UTs)	All 28 states of India
International (No. of Countries)	10 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 0.14%.

c. A brief on types of customers

Zen Technologies Limited ("Zen") has been in operation since 1993, focusing on the development 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 domestically and internationally.

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)	421	356	84.56%	65	15.43%
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total employees (D + E)**	**421**	**356**	**84.56%**	**65**	**15.43%**
			Workers			
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than Permanent (G)	366	235	64.20%	131	35.80%
6.	**Total workers (F + G)**	**366**	**235**	**64.20%**	**131**	**35.80%**

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:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors (BOD)	6	2	33.33%
Key Management Personnel (KMP)	2	0	0%

22. Turnover rate for permanent employees and workers:

Category	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.50%	4.51%	14.01%	14.43%	2.53%	16.96%	8.85%	3.00%	11.85%
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 Inc, USA	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	Associate	49%	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
10	TISA Aerospace Private Limited	Subsidiary	76%	No
11	Anawave Systems and Solutions Private limited	Subsidiary	76%	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 ₹): INR 423.76 Crores

(iii) Net worth (in ₹): INR 1,821.96 Crores

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 redress policy)	FY 2025-26 Current Financial Year			FY 2024-25 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
Investors (other than shareholders)	Yes, https://www.zentechnologies.com/investor-contacts	0	0	-	0	0	
Communities		0	0	-	0	0	
Shareholders	https://www.zentechnologies.com/investor_relations/Whistle-Blower-Policy.pdf	1	0	All the grievance has been resolved and closed	1	0	All the grievance has been resolved and closed
Employees and workers		0	0	-	0	0	-
Customers		0	0	-	0	0	-
Value Chain Partners		0	0	-	0	0	-
Others		0	0	-	0	0	-

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 (R/O)	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, performed regular security assessments, and adhered 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.

BRSR Principles	Principal Description	Reference of Policies
Principle 1	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
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe	• Business Responsibility Policy
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains	• Business Responsibility Policy • Health and Safety Policy • Code of Conduct
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders	• Business Responsibility Policy • Health and Safety Policy • Code of Conduct
Principle 5	Businesses should respect and promote human rights	• Human Rights Policy • Policy on Sexual Harassment of Women at Workplace
Principle 6	Businesses should respect and make efforts to protect and restore the environment	• Environment Policy
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	• Business Responsibility Policy
Principle 8	Businesses should promote inclusive growth and equitable development	• Business Responsibility Policy • Corporate Social Responsibility Policy
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner	• Business Responsibility Policy

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES (Contd.)

Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes											
1.	a.	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	Has the policy been approved by the Board? (Yes/No)	Yes, the statutory policies are approved by the Board/Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.								
	c.	Web Link of the Policies, if available	All the policies are available at: https://www.zentechnologies.com/policies-and-code-of-conduct								
2.		Whether the entity has translated the policy into procedures. (Yes/ No)	Yes								
3.		Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.		Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	Zen Technologies aligns its policies with internationally recognized standards and practices, including ISO 9001:2015 for quality management systems and ISO/ IEC 27001:2013 for information security management systems. By following these global standards, the Company showcases its dedication to delivering high-quality products and services while protecting sensitive information through strong security measures.								
5.		Specific commitments, goals and targets set by the entity with defined timelines, if any.	Sustainability is a fundamental priority for Zen Technologies, as we recognize its critical importance in fostering long-term growth and resilience. We believe that integrating sustainable practices into our operations not only benefits the environment but also enhances our social responsibility and strengthens our reputation in the marketplace. We are actively engaging with relevant teams and stakeholders to ensure that our goals are measurable, achievable, and impactful. The entity has outlined its key commitments and objectives in line with its strategic priorities. These encompass initiatives to enhance operational efficiency, advance sustainability practices, accelerate digital adoption, strengthen customer-centric approaches, and ensure compliance with applicable laws and regulations. The timelines for achieving these objectives vary based on the scope and nature of each commitment and are generally categorised into short-term, medium-term, and long-term goals.								
6.		Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The entity regularly monitors and evaluates its progress against defined goals through structured internal performance reviews. Most targets are either achieved or progressing in line with the prescribed timelines. In cases where targets remain unmet, the underlying reasons may include macroeconomic challenges, unforeseen operational constraints, or changes in regulatory and market conditions. The entity has established continuous improvement mechanisms to identify gaps, implement corrective measures, and realign efforts, wherever necessary.								
Governance, leadership and oversight											
7.		Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Zen Technologies Limited, sustainability and responsible business conduct are integral to our operations and long-term value creation. During the year, the Company focused on key ESG priorities including technological innovation, regulatory compliance, customer satisfaction, cybersecurity and data privacy, talent retention, supply chain resilience, and energy and emissions management. We continued to strengthen governance through policies aligned with the NGRBC principles, grievance mechanisms, CSR applicability, and recognised systems such as ISO 9001:2015 and ISO/IEC 27001:2013, while investing in energy-efficient technologies, exploring renewable energy integration and enhancing cyber risk controls. Our framework is externally benchmarked through the S&P Global Corporate Sustainability Assessment, which underlies the Dow Jones Sustainability Index and measures performance against industry-specific criteria. Going forward, we remain committed to embedding responsible business practices across our operations and creating sustainable value for our stakeholders through innovation, operational excellence and strong governance.								

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES (Contd.)

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@zentechnologies.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																		

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
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
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 (BoDs)	6	Familiarization programmes for the Board of Directors/ KMPs of the Company are done periodically. The topics of the programmes 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%
Key Managerial Personnel (KMPs)	6		100%
Employees other than BoDs and KMPs	205	• Posh Act • Fire Mock Drill • ISMS 27001:2022 Process • Time Management • Supplier selection process • PIT Training • Human rights • ESG	100%
Workers	5	• 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					
Settlement			Nil		
Compounding fee					

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		

No fines and penalties (monetary or non-monetary) were reported against any Directors and KMPs in the reporting financial year.

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.

Link to our Code of Conduct: https://www.zentechnologies.com/policies-and-code-of-conduct

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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2025-26 Current Financial Year		FY 2024-25 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	No remarks	Nil	No remarks
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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Number of days of accounts payables	45	11

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 2025-26 Previous Financial Year	FY 2024-25 Previous Financial Year
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	26.63%	9%
	b.	Number of trading houses where purchases are made from	421	117
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	67.19%	72.75%
Concentration of Sales	a.	Sales to dealers/distributors as % of total sales	0.24%	0%
	b.	Number of dealers/distributors to whom sales are made	2	0
	c.	Sales to top 10 dealers/distributors as % of total sales to dealers/distributor	100%	0%
Share of RPTs in	a.	Purchases (Purchases with related parties/Total Purchases)	39.77%	45.05%
	b.	Sales (Sales to related parties/Total Sales)	0	0.02%
	c.	Loans & advances (Loans & advances given to related parties/Total loans & advances)	68.27%	0
	d.	Investments (Investments in related parties/Total Investments made)	18.39%	39.58%

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
4	Zen's business strategy along with our expectations regarding quality from the vendor partners	10%

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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	28.54%	14.2%	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 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 2025-26 Current Financial Year	FY 2024-25 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 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Re-Used	Recycled	Safely disposed	Re-Used	Recycled	Safely disposed
Plastics (including packaging)	Nil					
E-waste						
Hazardous waste						
Other waste						

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	356	356	100%	356	100%	0	0%	0	0%	0	0%
Female	65	65	100%	65	100%	65	100%	0	0%	0	0%
Total	**421**	**421**	**100%**	**421**	**100%**	**65**	**15.44%**	**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	All eligible workers are covered under ESI Act.										
Female											
Total											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.28%	0.24%

Note: FY 2024–25 figure have been restated pursuant to changes in the calculation methodology.

2. Details of retirement benefits:

Benefits	FY 2025-26 Current Financial Year			FY 2024-25 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	5.46%	100%	Yes	11%	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, the premises/offices of Zen are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Zen is committed to fostering an inclusive workplace. We have made the necessary infrastructural arrangement at our manufacturing plant to ensure accessibility for people 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 has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. Zen is an equal opportunity employer and makes employment decisions based on merit. 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 people 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	100	-	-	-
Total	**100**	**-**	**-**	**-**

*One female permanent employee took the maternity leave in March 2026, 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 Workers	NA	Yes, a Grievance Redressal Mechanism has been constituted to hear and redress individual grievances. The Company has formulated Whistle Blower Policy for redressing grievances related to unethical behaviour, actual or suspected fraud or a violation of a Company's Code of Conduct. As per this Policy, the concerns can be sent to the Vigilance 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	NA	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26 Current Financial Year			FY 2024-25 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	**421**	**0**	**0%**	**395**	**0**	**0%**
Male	356	0	0%	330	0	0%
Female	65	0	0%	65	0	0%
Total Permanent Workers	Not Applicable					
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2025-26 Current Financial Year					FY 2024-25 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	356	330	92.69%	315	88.48%	330	310	93.93%	301	91.21%
Female	65	61	93.84%	59	90.77%	65	62	95.38%	61	93.84%
Total	**421**	**391**	**92.87%**	**374**	**88.83%**	**395**	**372**	**94.17%**	**362**	**97.31%**
Permanent Workers										
Male	Not Applicable									
Female										
Total										

9. Details of performance and career development reviews of employees and workers:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Permanent Employees						
Male	356	324	91.01%	330	276	83.63%
Female	65	60	92.30%	65	47	72.30%
Total	**421**	**384**	**91.21%**	**395**	**323**	**81.77%**
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 is 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 international 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 medical facilities nearby. 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 2025-26 Current Financial Year	FY 2024-25 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	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 2025-26 Current Financial Year			FY 2024-25 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	No remarks	0	0	No remarks
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 in the year, however, to ensure a safe and secure work environment we take proactive steps which include:

- 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 of 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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year	FY 2025-26 Current Financial Year	FY 2024-25 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 communication channels, we aim to provide our employees with 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 help 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	We engage with investors to update on the business and financial performance, Company's strategy and growth levers, potential opportunities and risks, our ESG goals/actions, and material events which may have a positive or negative impact on the performance of the Company. Educating the investor community about the Company's integrated value creation model and business strategy for the long term. Understanding Shareholders expectations
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 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	421	421	100%	395	395	100%
Other than permanent	-	-	-	-	-	-
Total employees	**421**	**421**	**100%**	**395**	**395**	**100%**
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	366	366	100%	344	344	100%
Total workers	**366**	**366**	**100%**	**344**	**344**	**100%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 Current Financial Year					FY 2024-25 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	356	0	0%	356	100%	330	0	0%	330	100%
Female	65	0	0%	65	100%	65	0	0%	65	100%
Total	**421**	**0**	**0%**	**421**	**100%**	**395**	**0**	**0%**	**395**	**100%**
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Workers										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent										
Male	235	0	0%	235	100%	232	0	0%	232	100%
Female	131	0	0%	131	100%	112	0	0%	112	100%
Total	**366**	**0**	**0%**	**366**	**100%**	**344**	**0**	**0%**	**344**	**100%**

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	4	3,22,03,915.39	2	32,25,000
Key Managerial Personnel	2	18,48,740.50	0	-
Employees other than BoD and KMP	352	5,37,830	64	4,79,541
Workers	235	2,47,464	131	2,10,540

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Gross wages paid to females as % of total wages	12.67%	12.73%

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.

The Company has a robust grievance redressal system. Zen Technologies complies with applicable labour Laws and a periodical compliance report which is submitted by HR Department. For any grievances related to human rights, employees can report concerns to their superiors or the HR department. Further, Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is constituted in the company to deal with Complaints related to Sexual Harassment and conduct enquiries on such issues.

Also, the Company has a Whistle Blower Policy with defined procedures to report instances of unethical behaviour, actual or suspected fraud, or violation of the Code of Conduct to the Vigilance Officer/Chairman of the Audit Committee. The Policy is available on the Company's website.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2025-26 Current Financial Year			FY 2024-25 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	No remarks	0	0	No remarks
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 2025-26 Current Financial Year	FY 2024-25 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 9 above.

Not applicable, as there are 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/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	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
From renewable sources (GJ)		
Total electricity consumption (A)	411.18	510.42
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**411.18**	**510.42**
From non-renewable sources (GJ)		
Total electricity consumption (D)	2,526.61	2,737.98
Total fuel consumption (E)	643.5	551.11
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**3,170.11**	**3,289.09**
Total energy consumed (A+B+C+D+E+F)	**3,581.29**	**3,799.51**
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations, GJ/INR Cr)	8.45	4.08
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) (GJ/Million USD)	17.19	8.43
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.

TUV India Private Limited has been carried out by an external agency for energy data.

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.

Zen Technologies Limited does not fall under designated consumer category in Performance, Achieve and Trade (PAT) scheme of Bureau of Energy efficiency (BEE).

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	10,865.61	6,087.80
(iii) Third party water (Municipal water supplies)	0	0
(iv) Seawater/desalinated water	0	0
(v) Others (Water cans for drinking and cooking purposes)	401.62	507.16
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**11,267.23**	**6,594.96**

3. Provide details of the following disclosures related to water, in the following format: (Contd.)

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total volume of water consumption (in kiloliters)	**11,267.23**	**6,594.96**
Water intensity per rupee of turnover (Total water consumption/Revenue from operations, KL/INR Cr)	26.59	7.09
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP, KL/Million USD)	54.08	14.64
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.

TUV India Private Limited has been carried out by an external agency for water data.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water discharged by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties (GHMC)		
- No treatment	0	60
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – Tertiary treatment	0	0
Total water discharged (in kiloliters)	**0**	**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 independent assessment/evaluation/assurance has been carried out by an external agency for water discharge data.

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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
NO_x	MT	0.0000125	Not Available
SO_x	MT	0.0000169	
Particulate matter	MT	0.0000064	
Persistent organic pollutants (POP)	MT	-	
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.

TUV India Private Limited has been carried out by an external agency for air emissions.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tons of CO_2 equivalent	46.13	39.39
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tons of CO_2 equivalent	498.3	552.92
Total Scope 1 and Scope 2 emissions	Metric tons of CO_2 equivalent	**544.43**	**592.31**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	$MTCO_2e$/INR Cr	1.28	0.64
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)	$MTCO_2e$/ Million USD	2.61	1.31
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.

TUV India Private Limited has been carried out by an external agency for GHG Emissions (Scope 1 and Scope 2).

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 include optimizing energy consumption.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Plastic waste (A)		
E-waste **(B)**	-	-
Bio-medical waste **(C)**	8.23	5.00
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	-	-
Radioactive waste **(F)**	-	-
Other Hazardous waste. Haz. Waste from process + Haz. Waste from pollution control equipment's, + Filter bed sand+ Filter bags etc. **(G) – Paint tins**	0.73	-
Other Non-hazardous waste generated **(H) – Scrap**	0.17	-
Other Non-hazardous waste generated **(I) – Food Waste**	11.62	-
Total (A+B + C + D + E + F + G + H + I)	**20.75**	**5.00**
Waste intensity per rupee of turnover (Total waste generated in Metric tons/Revenue from operations) (In MT/INR Cr)	0.05	0.01
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP) (MT/Million USD)	0.10	0.01
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	8.96	5.00
(ii) Re-used	-	-
(iii) Other recovery operations	11.79	-
Total	**20.75**	**5.00**
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) Other disposal operations (Composting)	-	-
Total	**-**	**-**

*In FY 2025-26 the food waste was handed over to the Municipal Corporation and the Scrap waste was sold to the local vendors.

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.

TUV India Private Limited has been carried out by an external agency for waste data.

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 waste.

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:

(i) Name of the area:

(ii) Nature of operations:

(iii) Water withdrawal, consumption, and discharge in the following format:

Not Applicable.

2. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1,433.45*	768.69*
Total Scope 3 emissions per Crore of turnover	$MTCO_2e$/ INR Cr	3.38	0.83

* 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.

TUV India Private Limited has been carried out by an external agency for Scope 3 emissions.

3. With respect to the ecologically sensitive areas reported at Question 10 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	Energy Efficient Appliances	The Company procured five-star rated energy-efficient air conditioners to optimise electricity consumption and improve energy efficiency across relevant operational areas.	Reduction in energy consumption, improved operational efficiency and lower associated GHG emissions from electricity use.
2	Rainwater harvesting	The Company has implemented rainwater harvesting measures to collect and utilise rainwater, supporting efficient water.	Improved water conservation, reduced dependence on external water sources and strengthened environmental stewardship.

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:

a) **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.

b) **Defined Responsibilities:** Clear responsibilities related to business continuity planning and implementation are outlined within the plan, ensuring accountability and effective execution of continuity strategies.

c) **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.

d) **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 the 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.

No issues related to anti-competitive conduct by Ather Energy, based on adverse orders from regulatory authorities, were reported in the reporting financial year, FY 2025-26. As such no corrective action was undertaken.

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 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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Directly sourced from MSMEs/small producers	79.25%	56.76%
Directly from within India*	92.46%	94.00%

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 2025-26 Current Financial Year	FY 2024-25* Previous Financial Year
Rural	0%	0%
Semi-urban	0%	0%
Urban	0%	0%
Metropolitan	100%	100%

* The FY 2024–25 data has been restated. The earlier classification was based on employee location; however, upon review, the Company's three locations fall within the Hyderabad region. As per RBI classification, Hyderabad is categorized as a metropolitan centre. Accordingly, the data has been updated and reported under the metropolitan category.

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):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

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 the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

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 benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Promotion of Education (including Science Education)	20,110	100%
2.	Promotion of Sports	33	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 customers 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 2025-26 (Current Financial Year)			FY 2024-25 (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	0	0	-	0	0	No remarks
Advertising	0	0	-	0	0	
Cyber-security	0	0	-	0	0	
Delivery of essential Services	0	0	-	0	0	
Restrictive Trade Practices	0	0	-	0	0	
Unfair Trade Practices	0	0	-	0	0	
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.

6. 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.

7. 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 & above what Is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief? 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)

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.

Yes, Zen Technologies conducted a survey with regards to consumer satisfaction relating to our products.

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Independent Assurance Statement

To the Directors and Management,
Zen Technologies Limited,
B-42, Industrial Estate, Sanath Nagar,
Hyderabad – 500018, Telangana

Zen Technologies Limited (hereinafter referred to as "ZTL" or the "Reporting Organization") engaged TUV India Private Limited ("TUVI") to conduct independent external assurance of the Non-Financial Information disclosed in its Business Responsibility and Sustainability Report (hereinafter 'the BRSR' or 'the Report'), prepared in reference to the SEBI BRSR framework and the requirements of BRSR Core disclosures. The scope of assurance covers the BRSR Core disclosures (the 09 attributes). ZTL has prepared its BRSR for the period 01/04/2025 to 31/03/2026, which forms part of its Annual Report for FY 2025-26 and is also published as a standalone document. The BRSR contains the BRSR Core disclosures (the "09 attributes"), which constitute the subject matter of this assurance engagement (the "Sustainability Information"); the entity's responses to the nine BRSR principles (Essential and Leadership Indicators / non-Core BRSR disclosures) do not form part of the scope of this engagement. TUVI confirms that, prior to acceptance of the engagement, the preconditions for the assurance engagement were assessed in accordance with ISAE 3000 (Revised). TUVI determined that the subject matter is supported by suitable criteria (SEBI BRSR Core framework and GHG Protocol), management has acknowledged its responsibility for the preparation and presentation of the Sustainability Information and for providing access to relevant records, and that sufficient appropriate evidence was expected to be available to support the assurance conclusion. Accordingly, the engagement was accepted and performed in accordance with ISAE 3000 (Revised). The engagement was formally accepted in July 2026, prior to the commencement of assurance procedures, as recorded in the signed engagement letter (Project Reference No. 8125176919); the engagement acceptance date is maintained in the engagement letter and engagement working papers. The assurance process was conducted with reference to the following applicable frameworks and guidelines. The primary criteria for the BRSR Core reasonable assurance engagement is the SEBI BRSR Core framework (Annexure I KPIs, SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated 20 December 2024). The secondary / supplementary criteria include the GHG Protocol, applicable to the greenhouse gas attribute:

i. *Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requiring disclosure of the Business Responsibility and Sustainability Report (BRSR);*
ii. *The Industry Standards on Reporting of BRSR Core, as per SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20 December 2024;*
iii. *SEBI circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562, dated 10 May 2021;*
iv. *The SEBI notification SEBI/LAD-NRO/GN/2023/131, dated 14 June 2023, related to BRSR reporting requirements;*
v. *The BRSR Core – Framework for Assurance and ESG Disclosures for the Value Chain, as stipulated by SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12 July 2023;*
vi. *World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard).*

The assurance engagement comprised a reasonable assurance engagement over the BRSR Core indicators / nine attributes as per Annexure I – Format of BRSR Core, following the requirements of International Standard on Assurance Engagements ISAE 3000 (Revised).

Management's Responsibility

ZTL developed its sustainability information forming part of the Annual Report (based on the BRSR framework) and holds full responsibility for the collection, analysis, preparation, and disclosure of the information presented in the Annual Report, including its availability in both web-based and printed formats. This responsibility also extends to the maintenance and integrity of the website where the Annual Report is published. Management is responsible for ensuring the disclosed data is accurate, reliable, and free from material misstatements, for the BRSR Core requirements referenced in this statement. Additionally, ZTL is responsible for the archiving and reproduction of the disclosed information and for ensuring that such data is made available to relevant stakeholders and regulatory authorities upon request. The Reporting Organization is responsible for complying with applicable laws.

Scope and Boundary

The scope of this assurance engagement conducted by TUVI covered the verification of the BRSR Core disclosures (the 09 attributes) contained in the BRSR. The BRSR is prepared as mandated under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires listed entities to include a BRSR as part of their Annual Report.

The assurance engagement included the following activities:

1. Review of the BRSR Core disclosures (09 attributes), together with the related contextual and management information necessary to verify these disclosures;
2. Review and evaluation of the nine attributes specified under Annexure I – Format of BRSR Core, as disclosed in the BRSR;
3. Assessment of the quality, clarity, and completeness of the reported information; and

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4. Verification of supporting evidence on a sample basis to support reasonable assurance over the nine attributes as per the BRSR Core framework.

This approach ensured an assessment aligned with the principles of ISAE 3000 (Revised). Basis for Assurance Level Selection: Reasonable assurance was mandated by SEBI LODR Reg. 34(2)(f) and the SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 (20 December 2024) for the BRSR Core nine attributes, providing an independent and objective evaluation of the reliability and accuracy of ZTL's BRSR Core disclosures.

TUVI has verified the below *09 attributes as per Annexure I - Format of BRSR Core* disclosed in the BRSR with reference to the Industry Standards on Reporting of BRSR Core (SEBI circular dated 20 December 2024) as part of the applicable assurance criteria.

Attributes **	KPI	
Greenhouse Gas (GHG) Footprint	Total Scope 1 emissions (with breakup by type) - GHG (CO_2e) Emission in MT - Direct emissions from organization's owned- or controlled sources – Monitored	
	Total Scope 2 emissions in MT - Indirect emissions from the generation of energy that is purchased from a utility provider – renewable energy and grid electricity – Monitored	
	GHG Emission Intensity (Scope 1+2), Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP – Calculated	
Water footprint	Total water consumption (in kL) – Monitored and estimated	
	Water consumption intensity - kL / Total Revenue from Operations adjusted for PPP – Calculated	
	Water consumption intensity - kL / Total output of Product or Services in terms of kL/million USD – Calculated	
	Water Discharge by destination and levels of Treatment (kL) – Calculated based on estimated values	
Energy footprint	Total energy consumed in GJ – Monitored and calculated based on measured consumption	
	% of energy consumed from renewable sources - In % terms - Monitored	
	Energy intensity - energy consumed (GJ)/ Total Revenue from Operations	
	Energy intensity -GJ/ Rupee adjusted for PPP – Calculated	
Embracing circularity - details related to waste management by the entity	Plastic Waste (A) – Monitored, E-waste (B) – Monitored, Bio-medical waste (C) – Monitored, Construction and Demolition waste – (D) Monitored, Battery waste (E) – Monitored, Radioactive waste (F) – NA	
	Other Hazardous waste (G) – Monitored	
	This category comprises the hazardous waste streams generated by the operations, as reported by ZTL – Monitored	
	Other Non-hazardous waste generated (H) – Monitored	
	This category comprises the non-hazardous waste streams generated by the operations, as reported by ZTL – Monitored;	
	Total waste generated (A +B + C + D + E + F + G + H) in MT –Monitored;	
	Waste intensity • MT /Revenue from Operations • MT /Revenue from Operations adjusted for PPP	
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (MT) – Monitored	
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (Intensity), kg of Waste Recycled Recovered /Total Waste generated - Calculated	
	For each category of waste generated, total waste disposed by nature of disposal method (MT)- Monitored	
	For each category of waste generated, total waste disposed by nature of disposal method (Intensity) kg of Waste Recycled Recovered /Total Waste generated - Calculated	
Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company - In % terms – Monitored and calculated	
	Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites) Number of Permanent Disabilities – Monitored Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) – Monitored No. of fatalities – Monitored	
Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid - In % terms – Calculated	
	Complaints on POSH	1) Total Complaints on Sexual Harassment (POSH) reported – Monitored
		2) Complaints on POSH as a % of female employees / workers – Monitored
		3) Complaints on POSH upheld – Monitored
Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India - In % terms – As % of total purchases by value – Monitored	
	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost - In % terms – As % of total wage cost – Monitored	
Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events - In % terms – Monitored	
	Number of days of accounts payable - (Accounts payable *365) / Cost of goods/services procured - Calculated	
Openness of business	Concentration of purchases & sales done with trading	1) Purchases from trading houses as % of total purchases
		2) Number of trading houses where purchases are made from
		3) Purchases from top 10 trading houses as % of total purchases from trading

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	houses, dealers, and related parties Loans and advances & investments with related parties	houses
		1) Sales to dealers / distributors as % of total sales
		2) Number of dealers / distributors to whom sales are made
		3) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors
		Share of RPTs (as respective %age) in- Purchases, Sales, Loans & advances, Investments - Calculated

Industry Standards Forum (ISF) Compliance Declaration: TUVI confirms that this assurance engagement has been conducted in compliance with the Industry Standards on Reporting of BRSR Core as specified in SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated 20 December 2024. The nine BRSR Core attributes (Annexure I KPIs), scope of reasonable assurance, assurance methodology, and reporting format adopted in this engagement are fully aligned with the requirements of the said SEBI circular. The SEBI circulars dated 10 May 2021, 14 June 2023 and 12 July 2023 establish the BRSR reporting framework applicable to ZTL, whereas this engagement has been planned and performed under ISAE 3000 (Revised), with the Industry Standards on Reporting of BRSR Core (SEBI circular dated 20 December 2024) applied as the assurance criteria.

Boundary Reconciliation: The ESG reporting boundary is consistent with the operational control approach adopted by ZTL for financial reporting purposes, covering all entities and sites over which ZTL exercises operational control. No material differences were identified between the financial reporting boundary (as per the audited financial statements for FY 2025-26) and the ESG reporting boundary applied in the BRSR.

The reporting boundary comprises 02 sites of Zen Technologies Limited located in India: (i) the Registered Office and manufacturing operations at B-42, Industrial Estate, Sanath Nagar, Hyderabad – 500018, Telangana; and (ii) the manufacturing facility at Plot No. 35, 26 & 37, Kancha Imarath, Near Ravirala Village, Hardware Park, Ranga Reddy District, Telangana – 510510. ZTL has reported these 02 sites, covering its corporate function and manufacturing operations, within the reporting boundary in India.

The assessment was carried out in accordance with the following audit schedule:

Sr. No.	Site Location	Assessment Date	Audit Mode
1	Registered Office & Manufacturing Operations, B-42, Industrial Estate, Sanath Nagar, Hyderabad – 500018	23 July 2026	**Onsite**
2	Manufacturing Facility, Hardware Park, Ranga Reddy District, Telangana – 510510	24 July 2026	**Onsite**

The assurance activities were carried out together with a desk review of the reported data across the entire reporting boundary.

Limitations

TUV India Pvt. Ltd. (TUVI) did not perform assurance procedures on forward-looking or prospective information disclosed in the Annual Report or the BRSR, including targets, expectations, ambitions, ESG goals, or claims, and therefore expresses no conclusion on such information. Actual results may differ materially from those projected, and TUVI assumes no responsibility for any reliance placed on such statements. No limitations were encountered in relation to the agreed scope of the assurance engagement. TUVI has relied on financial figures from the audited financial statements of ZTL, and ZTL remains solely responsible for the appropriate application, authenticity, completeness, and accuracy of such data. The assurance procedures are subject to inherent limitations, including the use of estimates, assumptions, sampling, and reliance on internal controls and data systems maintained by ZTL; accordingly, material misstatements or omissions may not be detected, particularly where disclosures involve estimation uncertainty or management judgment. TUVI disclaims liability for any decisions or consequences arising from this assurance statement or inaccurate data provided by ZTL, and any reliance placed by third parties on disclosed KPIs is at their own risk. For the purposes of this engagement, a material misstatement is defined as a misstatement, individually or in aggregate, that could reasonably be expected to influence the economic decisions of users made on the basis of the sustainability information. TUVI applied a KPI-specific materiality approach comprising two tiers: (i) a 5% quantitative materiality threshold relative to the applicable KPI base value (e.g., total emissions, total energy, total water consumption) was applied to volume-based and aggregated KPIs, supplemented by qualitative considerations including the nature and context of the disclosure and the risk of error; and (ii) a qualitative zero-tolerance threshold was applied to high-risk ESG indicators — specifically fatalities, permanent disabilities, POSH complaints upheld, instances of regulatory non-compliance or material breaches of applicable law, and customer data breaches — where any single occurrence, misstatement, or omission is treated as material irrespective of its magnitude. For these high-risk indicators, qualitative judgment overrides the 5% quantitative threshold. This KPI-specific materiality framework ensures that qualitative issues of significant stakeholder or regulatory concern are not understated by the application of a uniform quantitative threshold. The application of this assurance statement is limited with respect to *SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated Jul 12, 2023 and Industry Standards on Reporting of BRSR Core, circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20/12/2024)*. This assurance statement does not endorse any environmental and social claims (related to the product, manufacturing process, packaging, disposal of product etc.) as well as advertisements by the Reporting Organization. TUVI does not permit use of this statement for Greenwashing or misleading claims. The Reporting Organization is responsible for ensuring adherence to relevant laws. This assurance statement should be read in its entirety to avoid

misinterpretation and does not cover value chain disclosures unless specifically included within the defined assurance scope.

Our Responsibility

TUVI's responsibility in relation to this engagement is to perform a reasonable level of assurance over the BRSR Core attributes and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or the effectiveness of ZTL's strategy, management of ESG-related issues or the sufficiency of the BRSR against BRSR reporting principles, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which includes assurance of the non-financial quantitative and qualitative information disclosed by ZTL. Reporting Organization is responsible for archiving the related data for a reasonable time period. The primary intended user of this assurance statement is ZTL (Board, shareholders, and regulators); however, the client may use it at their own discretion in accordance with their specific requirements. This assurance engagement is based on the assumption that the data and information provided to TUVI by ZTL are complete and true.

Written Representations and Subsequent Events: TUVI obtained a written representation letter from ZTL management confirming management's responsibility for the BRSR Core disclosures, the completeness and accuracy of the information provided, and that, between 31/03/2026 and the date of this statement, no events or matters occurred that would materially affect the assured BRSR Core KPIs. TUVI's procedures did not identify any subsequent events requiring adjustment to, or disclosure within, the assured information; accordingly, the conclusion is expressed in relation to the reporting period.

Assurance Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing verification efforts on disclosures and issues of high material relevance to ZTL and its stakeholders. The objective was to assess the reliability and accuracy of the non-financial information disclosed, with emphasis on the robustness of data management systems, internal controls, and information flows. Fraud and error considerations: In planning and performing the engagement, TUVI considered the risk of material misstatement in the BRSR Core disclosures arising from fraud or error, including the risk of management override of controls and any incentives or pressures that could lead to misstatement of ESG performance data. Professional skepticism was maintained throughout, and KPI areas involving greater estimation uncertainty or management judgment received enhanced substantive testing. No indicators of fraud or intentional misstatement affecting the assured BRSR Core KPIs were identified during the engagement.

TUVI's assurance activities included:

1. Document and Data Review
   i. Examination of documents, datasets and supporting evidence provided by ZTL in respect of the nine attributes listed in Annexure I – Format of BRSR Core (non-financial disclosures).
   ii. Evaluation of disclosures related to Management Approach and performance indicators.

2. Stakeholder Interviews
   i. Conducted interviews with key representatives, including data owners, process managers, and decision-makers across various departments.
   ii. Reviewed ZTL's approach to stakeholder engagement and materiality determination to validate qualitative statements included in the Annual Report.
   iii. Interviews were conducted through both onsite visits and remote assessments, as applicable.

3. Process and System Assessment
   i. Review of systems and processes for:
      a) Implementing ESG and sustainability-related policies, as described in the BRSR; and
      b) Collecting, managing, and reporting both quantitative data and qualitative information for the reporting period.
   ii. Assessment of data management systems and internal processes supporting the preparation of ESG disclosures, including review of data flows, aggregation procedures, and supporting records, to understand the context in which reported data was prepared. This review was undertaken as part of the substantive verification procedures and does not constitute an assessment of, or opinion on, the design adequacy or operating effectiveness of IT general controls or ESG application controls.

4. Substantive and Control Testing

   TUVI performed walkthrough procedures to understand ESG data flows and processes, and substantive testing including document verification, recalculation, analytical review, and data traceability checks for selected KPIs and disclosures. The substantive procedures performed provided sufficient appropriate evidence in accordance with ISAE 3000 (Revised). Examples of KPI-category procedures applied: (a) GHG Emissions — recalculation of Scope 1 and Scope 2 emissions from primary fuel and energy consumption data using IPCC/GHG Protocol emission factors; reconciliation of Scope 1 combustion and fugitive emission records against source data; (b) Energy — cross-verification of meter readings against utility bills for the sites, and validation of renewable energy consumption; (c) Water — review of water intake records at site level, with traceability to supply invoices and applicable water-withdrawal permits; (d) Safety — verification of Lost Time Injury Frequency Rate (LTIFR) calculations against site-level incident registers and HR records; (e) Waste — reconciliation of hazardous and non-hazardous waste disposal records against statutory returns and authorised third-party disposal manifests. Scope 2 GHG emissions were

quantified using the location-based method, being grid electricity consumption multiplied by the applicable published grid emission factor. The emission factors applied were sourced from the IPCC (Assessment Report global warming potential values and the 2006 IPCC Guidelines as updated), the Central Electricity Authority (CEA) CO_2 Baseline Database for the Indian power sector (Version 21), and the UK DEFRA greenhouse gas conversion factors, with the specific version and publication year of the IPCC and DEFRA factors applied for the reporting period recorded in the engagement working papers and ZTL's Data Collection and Reporting Protocol (DCRP). In evaluating evidence, TUVI placed primary reliance on source records (such as meter readings, utility invoices, statutory returns, HR and incident registers, and third-party disposal manifests) over secondary evidence (such as management-prepared schedules, internal summaries, and analytical corroboration). No unresolved contradictory or inconsistent evidence was identified during the engagement; where minor differences arose, they were resolved through recalculation, corroboration with source records, and clarification with management before the conclusion was finalised.

5. Sampling methodology

i. TUVI applied a risk-based sampling methodology to select representative samples of ESG disclosures, considering materiality thresholds, risk of misstatement, data complexity, estimation uncertainty, nature and scale of operations, geographical spread of facilities, and site contribution to ESG impacts. Sample selection prioritised locations with significant operational impact and KPIs with higher inherent risk, being those relevant to the BRSR Core indicators / nine attributes.

ii. **Site Verification Coverage:** TUVI conducted onsite verification at both sites within the reporting boundary — the Registered Office and manufacturing operations at Sanath Nagar, Hyderabad (23 July 2026) and the manufacturing facility at Hardware Park, Ranga Reddy District, Telangana (24 July 2026) — complemented by a desk review of the BRSR Core data for the entire reporting boundary. The quantitative coverage basis for the BRSR Core KPIs, combining onsite verification and desk review, is as follows: Scope 1 and Scope 2 GHG emissions — all sites covered; total energy consumption — all sites covered; total water consumption — all sites covered; total waste generated — all sites covered; workforce and HR KPIs (safety, POSH, wages, wellbeing spend) — 100%, verified through the corporate function and site-level HR records. The combined onsite verification of both sites and the desk review of BRSR Core data provide full coverage of all sites and entities within the reporting boundary for the key environmental, social, and safety BRSR Core KPIs, with the underlying transactions and records tested on a risk-based sample basis. Accordingly, the verification coverage provides a fully evidenced and representative basis for the reasonable assurance conclusion on the BRSR Core attributes. A KPI-wise sampling matrix, recording the sample coverage tested for each BRSR Core KPI, and a documented engagement risk-assessment matrix, recording inherent and control risk considerations by KPI category, are maintained in the engagement working papers.

iii. **Estimation-based disclosures:** Where certain disclosures are derived using estimation methodologies, the associated estimation uncertainty has been acknowledged and factored into the assurance conclusion. Water discharge, reported on an estimated basis, was estimated from metered water intake less measured consumption in accordance with ZTL's estimation methodology documented in the DCRP, and was reviewed by TUVI for reasonableness. For PPP-adjusted intensity KPIs, revenue from operations was converted using the World Bank Purchasing Power Parity (PPP) conversion factor for India for the applicable year, as recorded in ZTL's DCRP, and verified by TUVI on a sample basis. The KPI-specific materiality thresholds applied to the sampled data are as described under 'Limitations' above.

6. Reporting Framework Adherence

i. Verified adherence to reporting requirements under:
   a) SEBI's BRSR guidelines.

Opportunities for Improvement

The following are the opportunities for improvement reported to ZTL. These align well with ZTL management's existing objectives and programs. ZTL has already identified these focus areas, and the assurance team endorses their continued implementation to advance the organization's sustainability goals:

i. ZTL can further enhance reporting of its environmental performance by establishing an automated emissions accounting system for real-time tracking of monitoring parameters across its operations.

ii. ZTL has established a strong base through its existing sustainable procurement policies and practices. ZTL may further strengthen this framework by progressively aligning it with the principles of ISO 20400.

ZTL is encouraged to establish measurable targets and track progress annually in its Annual Report.

Conflict of Interest

In the context of BRSR requirements set by SEBI, addressing conflict of interest is crucial to maintain high integrity and independence of assurance engagements. As per SEBI guidelines, assurance providers need to disclose any potential conflict of interest that could compromise the independence or neutrality of their assessments. TUVI diligently identifies any relationships, affiliations, or financial interests that could potentially cause conflict of interest. We proactively implement measures to mitigate or manage these conflicts, ensuring independence and impartiality in our assurance engagements. We provide clear and transparent disclosures about any identified conflicts of interest in our assurance statement. We recognize that failure to address conflict of interest adequately could undermine the credibility of the assurance process and the

reliability of the reported information. Therefore, we strictly adhere to SEBI guidelines and take necessary measures to avoid, disclose, or mitigate conflicts of interest effectively.

In addition, TUVI maintains organizational safeguards to ensure impartiality despite performing different conformity-assessment activities within the same organization. Independence is ensured through segregation of responsibilities, independent technical review, documented conflict-of-interest controls, and oversight mechanisms in accordance with ISO 17029:2019, consistent with TUVI's accreditation as a verification/validation body; this assurance engagement was, however, planned and performed in accordance with ISAE 3000 (Revised), which governs the conclusions expressed herein. TUVI confirms that the engagement was performed under a system of quality management consistent with quality control, independence, and ethical requirements, thereby addressing the requirements of ISAE 3000 (Revised).

Our Conclusion

Engagement Type: Independent reasonable assurance engagement over the BRSR Core indicators / nine attributes as per Annexure I. The engagement was conducted in accordance with ISAE 3000 (Revised). Applicable Criteria: Primary criteria — SEBI BRSR Core framework and Annexure I KPIs (SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated 20 December 2024). Secondary criteria — GHG Protocol (WRI/WBCSD), applicable to the greenhouse gas attribute. The practitioner applied professional judgment and maintained professional skepticism throughout the engagement, consistent with the requirements of ISAE 3000 (Revised). No opinion is expressed on the effectiveness of internal controls. Internal controls and information systems were considered only to the extent necessary to plan and perform the assurance procedures over the BRSR Core KPIs, and this consideration does not constitute an opinion on the design adequacy or operating effectiveness of those controls.

Disclosures: The 09 attributes as per Annexure I – Format of BRSR Core have been verified within the defined scope of this engagement.

Reasonable Assurance Conclusion: Subject to the inherent limitations described in the 'Limitations' section above (including the use of estimates, sampling, and reliance on ZTL's internal controls and data systems, as a result of which not all misstatements, if any, may be detected): Based on the procedures performed and evidence obtained, in our opinion, the BRSR Core Key Performance Indicators (KPIs) presented in Zen Technologies Limited's Annual Report for the period 01/04/2025 to 31/03/2026 have been prepared, in all material respects, in accordance with the applicable BRSR Core criteria, including the requirements of the SEBI BRSR Core framework and Annexure I KPIs, and fairly represent the nine attributes within the defined scope without material misstatement. A detailed desk review and comprehensive verification of the reported data were conducted for the relevant parameters across both sites within the reporting boundary, in line with the requirements of a reasonable assurance engagement.

Contextual observations on the broader BRSR (reviewed for context only — not part of the reasonable assurance conclusion, which is limited to the nine BRSR Core attributes)

a) Governance, leadership and oversight: The messages of top management, the business model to promote inclusive growth and equitable development, action and strategies, focus on services, risk management, protection and restoration of environment, and priorities are disclosed appropriately.

b) Connectivity of information: ZTL discloses the 09 attributes as per Annexure I – Format of BRSR Core and their inter-relatedness and dependencies with factors that affect the organization's ability to create value over time.

c) Stakeholder responsiveness: The Annual Report covers mechanisms of communication with key stakeholders to identify major concerns to derive and prioritize the short, medium and long-term strategies. The Annual Report provides insights into the organization's relationships (nature and quality) with its key stakeholders. In addition, the Annual Report provides a fair representation of the extent to which the organization understands, takes into account and responds to the legitimate needs and interests of key stakeholders.

d) Materiality: The materiality assessment process has been carried out based on the requirements of the BRSR, considering topics that are internal and external to ZTL's range of businesses. Material issues within the 9 attributes and corresponding KPIs as per BRSR requirements are adequately identified and reported. In our view, the BRSR meets the requirements.

e) Conciseness: The Report reproduces the requisite information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to the point; sentences, graphs, and pictorial and tabular representations are used. At the same time, due care is taken to maintain continuity of information flow in the BRSR.

f) Reliability and completeness: ZTL has established internal data aggregation and evaluation systems to derive the performance. ZTL confirms that all data provided to TUVI has been passed through the QA/QC function. The majority of the data and information was verified by TUVI's assurance team (on a sample basis) during the BRSR verification and found to be fairly accurate. All data is reported transparently, in a neutral tone, and without material error.

g) Consistency and comparability: The information presented in the BRSR is on an annual basis and was found to be presented in a reliable and complete manner. Thus, the principle of consistency and comparability is established. Year-on-Year Comparability: TUVI reviewed the reported FY 2025-26 data in the context of prior year (FY 2024-25) disclosures for the key BRSR Core KPIs (GHG emissions, energy consumption, water consumption, and safety indicators). No material inconsistencies in methodology, boundary, or reporting approach were identified that would impair comparability between the two reporting periods. FY 2025-26 represents the first year in which the BRSR Core attributes have been subject to reasonable assurance. Restatement and recalculation policy: in subsequent periods, prior-period figures will be restated where a material error is identified, where there is a change in calculation methodology, emission factors, or reporting boundary, or where required by the applicable SEBI BRSR Core framework,

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with the nature and impact of any such restatement disclosed. The assurance does not cover evaluation of any restated values from the previous reporting year.

Independence and Code of Conduct: TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. We recognize the importance of maintaining independence in our engagements and actively manage threats such as self-interest, self-review, advocacy, and familiarity. The assessment team was safeguarded from any type of intimidation. By adhering to these principles, we uphold the trust and confidence of our clients and stakeholders. In line with the requirements of the SEBI *circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023 and Industry Standards on Reporting of BRSR Core, circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20/12/2024*.

TUVI solely focuses on delivering verification and assurance services and does not engage in the sale of service or the provision of any non-audit/non-assurance services, including consulting.

Quality control: The assurance team complies with quality control standards, ensuring that the engagement partner possesses requisite expertise and the assigned team collectively has the necessary competence to perform engagements in reference with standards and regulations. Assurance team follows the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management (ISQM 1), TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Assurance Team and Independence

Each member of the engagement team provided a written confirmation of independence, in accordance with TUVI's independence policy and the IESBA Code, prior to commencement of the engagement. TUV India Pvt. Ltd. (TUVI) is an independent and neutral third-party assurance provider with qualified environmental and social specialists and confirms its independence, impartiality, and objectivity in accordance with ISAE 3000 (Revised) through internal conflict-of-interest checks, adherence to a documented code of ethics, separation of assurance and advisory functions, reviewer oversight, and quality control procedures. TUVI confirms that no non-assurance services were provided to ZTL that could create self-review, advocacy, familiarity, self-interest, or other independence threats, including preparation of BRSR disclosures, ESG strategy development, target setting, ESG data system design, GHG inventory calculations, internal ESG audits, materiality assessments, or KPI improvement advisory services. TUVI further confirms that no engagements during the reporting year compromised its independence, and it was not involved in preparing report content or underlying data, except for this assurance statement, thereby ensuring an objective, unbiased, and transparent assurance process. Rotation and Tenure Policy: In line with best practice and the ISF Guidelines for independence, TUVI maintains a documented engagement partner rotation policy. The lead assurance practitioner for this engagement has not exceeded the maximum tenure threshold prescribed under TUVI's internal quality and independence framework (Maximum of 6 years as team leader, Three consecutive years' break after consequent 6 years of team leadership). TUVI's independence and quality control procedures are reviewed periodically by the internal technical review function. The assurance team comprised qualified professionals with multidisciplinary competencies, including: (i) GHG accounting and emissions verification; (ii) ESG and sustainability reporting frameworks; (iii) social compliance and human rights due diligence; and (iv) non-financial assurance methodology in accordance with ISAE 3000 (Revised). This cross-disciplinary composition ensured that the assurance conclusions are supported by adequate technical expertise.

For and on behalf of TUV India Private Limited



Manojkumar Borekar
Product Head – Sustainability Assurance Service
TUV India Private Limited



Date: 04/08/2026
Place: Mumbai, India
Project Reference No: 8125176919
Revision: 01

Independent Auditor's Report

TO THE MEMBERS OF ZEN TECHNOLOGIES LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of ZEN TECHNOLOGIES LIMITED (the "Company"), which comprise the Standalone Balance Sheet as at 31 March 2026, 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 2026, 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 & 42 of the standalone financial statements)	
During the year, the Company's revenue from operations decreased by 54.47%. 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. 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	Our audit procedures included but were not limited to, the following: 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. e) We have tested on sample basis whether revenue transactions near to the reporting date 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.

KEY AUDIT MATTERS (Contd.)

Key Audit Matters	How our audit addressed the key audit matter
	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 34 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.
Assessment of impairment of investments in and unsecured loans given to subsidiaries and associates (As described in Note 5 and 6 of the standalone financial statements)	
The carrying value of investments in and unsecured loans given to subsidiaries and associates is ₹29,192.94 Lakhs. During the year ended March 31, 2026, the Company has recognised an impairment allowance of ₹37.70 Lakhs in respect of investments given to Zen Medical Technologies Private Limited, as described in Note 34 to the standalone financial statements. The Company performs annual assessment to identify any indicators of impairment. Based on internal and external factors considered, where such evidence exists, impairment loss is determined and recognised in accordance with Ind AS 36.	Our audit procedures included but were not limited to, the following: a) Evaluated the design, tested the implementation and operating effectiveness of the internal controls over impairment assessment process, including those over the forecasts and the selection of the appropriate discount rate b) Evaluated the impairment indicator assessment performed by the Company considering quantitative and qualitative factors c) Performed sensitivity analysis around these key estimates to ascertain the extent of change in those assumptions that either individually or collectively would be required for the investments and loans tested were to be impaired d) Tested the mathematical accuracy of the model to conclude that the model is accurately calculating the value in use e) Evaluated the adequacy of disclosures made in the Standalone Financial Statements.

KEY AUDIT MATTERS (Contd.)

Key Audit Matters	How our audit addressed the key audit matter
The Company's evaluation of impairment of its investments involves comparison of their recoverable value to their corresponding carrying values. The Company used the discounted cash flow model to estimate recoverable values, which requires management to make estimates and assumptions related to forecasts of future Revenues, operating margins, and discount rates. Changes in these assumptions could have a significant impact on either the recoverable value, the amount of any impairment charge, or both. We have considered this as a Key Audit Matter due to the materiality of the investment and loans, and because the Company's assessment of the recoverable values involves judgements around the future results of the business and the discount rates applied to future cash flow forecasts.	

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 I43(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 2026 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 a branch included in the accompanying standalone financial statements of the Company whose financial statements reflect company's share of total assets of Nil as at March 31, 2026, Company's share of total revenue of Nil, Company's share of total net profit after tax/(loss) of ₹26.03 Lakhs and Company's share of total comprehensive income/ (loss) of ₹36.35 Lakhs for the year ended on that date, as considered in the standalone financial statements. This financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of branch is based solely on the reports of the other auditors.

Two branches 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 which has been audited by other auditor under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such branches 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 Company's management. Our opinion in so far as it relates to the balances and affairs of such branches located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the standalone 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.

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.

   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.

   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 01 May 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 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 2026 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-51 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-51 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, 2026, 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: 26223022DIHDUR7117

Place: Hyderabad
Date: 01 May 2026

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.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

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 51 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ 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 unaudited 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 loans to its Subsidiaries during the year, details of which are given below:

Particulars	Loans (₹ In Lakhs)
A. Aggregate amount granted/provided during the year:	
- Subsidiaries	802.19
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries	805.10

b. In our opinion, the investments made and the terms and conditions of the grant of all loans are not prejudicial to the Company's interest.

c. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

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 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 granted loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below:

(Amount in lakhs)

Particulars	All parties	Promoters	Related parties
Aggregate amount of loans repayable on demand and without specifying any terms or period of repayment	2.19	Nil	2.19
Percentage of loans to the total loans	-	-	100%

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, 2026 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (₹ 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 no 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.

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: 26223022DIHDUR7117

Place: Hyderabad
Date: 01 May 2026

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, 2026 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 2026, 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: 26223022DIHDUR7117

Place: Hyderabad
Date: 01 May 2026

Standalone Balance Sheet

As at 31 March 2026

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

S. No.	Particulars	Notes	As at 31 Mar 2026	As at 31 Mar 2025
I	**Assets**			
	Non-Current assets			
	(a) Property, Plant and equipment	4A	11,982.12	9,815.37
	(b) Capital work-in-progress	4C	1,301.93	355.38
	(c) Right-of-use asset	4D	431.08	412.00
	(d) Other Intangible assets	4B	414.64	243.96
	(e) Intangible assets under development	4E	210.00	348.00
	(f) Financial assets			
	(i) Investments	5	28,387.84	21,849.06
	(ii) Loans	6A	800.00	-
	(iii) Other financial assets	13	29,002.00	51.33
	(g) Deferred Tax Assets (Net)	7	-	-
	(h) Other non-current assets	8	94.31	156.00
	Total Non-Current Assets		**72,623.92**	**33,231.11**
II	**Current assets**			
	(a) Inventories	9	8,394.17	5,101.82
	(b) Financial assets			
	(i) Trade receivables	10	13,172.88	37,839.62
	(ii) Cash and cash equivalents	11	2,897.05	3,423.70
	(iii) Bank balances other than (ii) above	12	19,387.66	23,982.74
	(iv) Loans	6B	5.10	0.80
	(v) Other financial assets	13	65,791.97	79,083.40
	(c) Current tax assets	14	681.06	133.68
	(d) Other current assets	15	10,477.17	4,750.88
	Total Current Assets		**1,20,807.06**	**1,54,316.64**
	Total Assets (I + II)		**1,93,430.98**	**1,87,547.75**
I	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	16	902.90	902.90
	(b) Other Equity	17	1,81,293.15	1,67,995.68
	Total Equity		**1,82,196.05**	**1,68,898.58**
II	**Liabilities**			
	Non-Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	-	4,020.36
	(ii) Lease liabilities	4D	157.25	175.36
	(iii) Deferred govt. grant	19	15.00	15.00
	(b) Provisions	20	360.16	313.16
	(c) Deferred tax liabilities (Net)	7	293.72	23.84
	Total Non-Current Liabilities		**826.13**	**4,547.72**
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	21	-	1,200.00
	(ii) Lease liabilities	4D	66.63	37.37
	(iii) Trade payables	22		
	(A) Total outstanding dues to micro and small enterprises		779.28	835.22
	(B) Total outstanding dues to creditors other than micro and small enterprises		1,407.20	345.15
	(iv) Other Financial liabilities	24	1,115.63	1,450.28
	(b) Other current liabilities	23	5,954.21	4,495.21
	(c) Provisions	20	1,085.85	5,454.99
	(d) Current Tax Liabilities	25	-	283.22
	Total Current Liabilities		**10,408.80**	**14,101.45**
	Total Equity and Liabilities (I + II)		**1,93,430.98**	**1,87,547.75**
	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

Place: Hyderabad
Date: 01 May 2026

For and on behalf of the Board of Directors of
Zen Technologies Limited

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

Hari Haran Chalat
Chief Financial Officer

Shilpa Choudari
Whole Time Director
DIN: 06646539

Sourav Dhar
Company Secretary
M.No.: A63455

Place: Hyderabad
Date: 01 May 2026

Standalone Statement of Profit and Loss

For the year ended 31 March 2026

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

S. No.	Particulars	Notes	For the year ended 31 Mar 2026	For the year ended 31 Mar 2025
1	**Income**			
	Revenue from Operations	26	42,376.70	93,066.72
	Other Income	27	7,716.98	5,778.43
	Total Income		**50,093.68**	**98,845.15**
2	**Expenses**			
	Cost of materials and components consumed	28	18,493.83	39,031.15
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(2,604.23)	4,991.29
	Manufacturing expenses	30	1,383.99	1,398.02
	Employee benefits expense	31	5,621.02	5,701.53
	Finance costs	32	343.10	942.08
	Depreciation and Amortization expense	33	1,369.24	1,009.40
	Other expenses	34	5,879.61	10,572.64
	Total Expenses		**30,486.56**	**63,646.10**
3	**Profit/(Loss) before exceptional items and tax (1 - 2)**		**19,607.12**	**35,199.05**
4	Exceptional Items		-	-
5	**Profit/(Loss) before tax (3-4)**		**19,607.12**	**35,199.05**
6	**Tax expense**	36		
	(i) Current tax		4,237.00	9,443.00
	(ii) Deferred tax		254.55	(561.71)
	(iii) Prior period tax		530.30	22.69
	Total Tax expense		**5,021.85**	**8,903.98**
7	**Profit for the year (5-6)**		**14,585.27**	**26,295.07**
8	**Other Comprehensive Income**			
	Items that will not be reclassified subsequently to statement of profit or (loss)	35	13.84	(105.40)
	Income tax relating to items that will not be reclassified to profit/loss		(3.48)	26.53
	Items that will be reclassified subsequently to statement of profit or (loss)		47.07	(86.08)
	Income tax relating to items that will be reclassified to profit/loss		(11.85)	21.66
	Total Other Comprehensive Income, net of tax		**45.58**	**(143.29)**
9	**Total Comprehensive Income for the year (7+8)**		**14,630.85**	**26,151.78**
10	**Earning per Share (Face Value of ₹1/- Each)**	37		
	Basic earnings per share (In ₹)		16.22	30.09
	Diluted earnings per share (In ₹)		16.22	30.09
	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

Place: Hyderabad
Date: 01 May 2026

For and on behalf of the Board of Directors of
Zen Technologies Limited

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

Hari Haran Chalat
Chief Financial Officer

Shilpa Choudari
Whole Time Director
DIN: 06646539

Sourav Dhar
Company Secretary
M.No.: A63455

Place: Hyderabad
Date: 01 May 2026

Standalone Statement of Cash Flows

For the year ended 31 March 2026

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars		For the year ended 31 Mar 2026	For the year ended 31 Mar 2025
A.	**Cash Flows from Operating Activities**		
	Net profit before tax	**19,607.12**	**35,199.05**
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expense	1,369.24	1,009.39
	Profit on sale of asset	-	(0.20)
	Provision for impairment of investments	37.70	37.50
	Provision for impairment of advances	-	252.84
	Expected credit loss allowance	(8.00)	165.22
	Interest income	(6,698.81)	(4,840.04)
	Finance cost	90.06	587.21
	Interest on lease liability	14.95	7.63
	Gratuity expense	127.44	80.13
	Provision for employee benefit expenses	100.25	-
	Share based payment expenses	379.21	191.71
	Foreign Exchange (Gain)/Loss	(859.53)	(239.46)
	Provision for Warranties	124.81	538.32
	Provision for contract workers	75.87	-
	Operating profit before working capital changes	**14,360.31**	**32,989.30**
	Changes in Working Capital		
	(Increase)/Decrease in Trade Receivables	25,534.27	(20,936.58)
	(Increase)/Decrease in Other financial assets	122.86	(1,597.39)
	(Increase)/Decrease in Inventories	(3,292.35)	8,240.30
	(Increase)/Decrease in Other Current Assets	(5,726.29)	7,165.73
	(Increase)/Decrease in Other Non Current Assets	61.69	(42.41)
	(Increase)/Decrease in Other Non Current Financial Assets	(52.57)	24.52
	Increase/(Decrease) in Trade Payables	1,053.18	(1,436.06)
	Increase/(Decrease) in Other financial liabilities	(334.65)	4,539.77
	Increase/(Decrease) in Other Current liabilities	1,459.00	(15,969.65)
	Increase/(Decrease) in Provisions	(4,736.66)	(33.24)
		28,448.79	**12,944.29**
	Income tax paid	(5,597.90)	(9,841.96)
	Net Cash from/(used in) operating activities (A)	**22,850.89**	**3,102.33**
B.	**Cash flows from Investing Activities**		
	Purchase of property, plant and equipment and CWIP	(4,550.24)	(2,980.74)
	Sale of fixed assets	15.94	1.06
	Purchase of investments	(6,576.48)	(19,218.46)
	Interest received	6,698.81	4,840.04
	Loan given to subsidiary	(804.31)	-
	(Increase)/Decrease in other bank balances and fixed deposits	(11,134.44)	(86,613.76)
	Net Cash Used In Investing Activities (B)	**(16,350.72)**	**(1,03,971.86)**
C.	**Cash flows from Financing Activities**		
	Proceeds from/(Repayment of) borrowings (net)	(5,177.37)	5,072.11
	Net proceeds from issue of shares	-	98,019.00
	Proceeds from issue of employee stock options	85.50	121.81
	Dividend paid	(1,798.09)	(898.27)
	Principal payment of lease liabilities	11.14	(183.41)
	Interest on lease liabilities	(14.95)	(7.63)
	Finance costs paid	(133.05)	(436.85)
	Net Cash From Financing Activities (C)	**(7,026.82)**	**1,01,686.76**
Net Increase in cash and cash equivalents (A+B+C)		**(526.65)**	**817.23**
Cash and Cash equivalents at the beginning of the year		3,423.70	2,606.47
Cash and Cash equivalents at the end of the year		**2,897.05**	**3,423.70**

Standalone Statement of Cash Flows (Contd.)

For the year ended 31 March 2026

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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 2026	For the year ended 31 Mar 2025
Cash and Cash Equivalents as per Balance sheet	**2,897.05**	**3,423.70**
Less: OD/CC accounts forming part of Cash & Cash Equivalents	-	-
Cash and Cash Equivalents for the Cash flow statement	**2,897.05**	**3,423.70**

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

Murali Krishna Reddy Telluri
Partner
Membership Number: 223022

Place: Hyderabad
Date: 01 May 2026

For and on behalf of the Board of Directors of
Zen Technologies Limited

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

Shilpa Choudari
Whole Time Director
DIN: 06646539

Hari Haran Chalat
Chief Financial Officer

Sourav Dhar
Company Secretary
M.No.: A63455

Place: Hyderabad
Date: 01 May 2026

Standalone Statement of Changes in Equity

For the year ended 31 March 2026

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

(A) SHARE CAPITAL

	Number of shares	Amount (₹)
As at 01 April 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**
Issued during the year	-	-
Redeemed/transferred during the year	-	-
As at 31 March 2026	**9,02,90,356**	**902.90**

(B) OTHER EQUITY (REFER NOTE NO. 17)

Particulars	Reserves and Surplus						Other Comprehensive Income		Total Equity
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Share Based Payment Reserve	Treasury Shares	Re Measurements of Defined Benefit Plans	Foreign Currency Translation Reserve	
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
Issue of equity shares	97,956.54	-	-	-	(246.82)	297.70	-	-	98,007.42
Share based payment charge on account of options granted during the year	-	-	-	-	191.61	-	-	-	191.61
Other Comprehensive income (net of tax)	-	-	-	-	-		(78.87)	(64.42)	(143.29)
Dividend paid	-	-	-	(898.28)	-		-	-	(898.28)
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**
Balances as at 1 April 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**
Profit for the Year	-	-	223.23	14,585.27	-	-	-	-	14,808.49
Issue of equity shares	-	-	-	-	(233.59)	95.86	-	-	(137.72)
Share based payment charge on account of options granted during the year	-	-	-	-	379.21	-	-	-	379.21
Other Comprehensive income (net of tax)	-	-	-	-	-	-	10.36	35.22	45.59
Dividend paid	-	-	-	(1,798.09)	-	-	-	-	(1,798.09)
Balance as at 31 March 2026	**1,09,045.14**	**117.24**	**3,819.17**	**68,918.58**	**376.35**	**(871.78)**	**(57.58)**	**(53.98)**	**1,81,293.15**

Summary of Material Accounting Policies - Refer Note 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

Place: Hyderabad
Date: 01 May 2026

For and on behalf of the Board of Directors of
Zen Technologies Limited

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

Hari Haran Chalat
Chief Financial Officer

Shilpa Choudari
Whole Time Director
DIN: 06646539

Sourav Dhar
Company Secretary
M.No.: A63455

Place: Hyderabad
Date: 01 May 2026

Notes to the Standalone Financial Statements

For the year ended March 31 2026

(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 operational equipment 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 2026, were approved by the Board of Directors and authorised for issue in its meeting held on 01 May 2026.

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.

(v) Measurement of fair values

Accounting polices 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 43:** 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 INFORMATION

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 goods 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 goods 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 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 stand-alone 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 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 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 is recognized on a time proportion basis considering the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

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 3A – 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 amortization 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 amortization 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
Electrically operated vehicles	8 years	8 years
Testing equipment	10 years	10 years
Office equipment	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.

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.

Intangible Assets that are not yet ready for their intended use as at the Balance Sheet date are classified as "Intangible Assets under Development"

ii) Subsequent measurement

After initial recognition, intangible assets are carried at cost less accumulated amortization 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) Amortization

Amortization 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

Amortization 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 amortization, 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.

The Company recognizes actuarial gains/(losses) on defined benefit plans in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur.

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 administers its employee share-based payment schemes through an Employee Welfare Trust (EWT) for providing share-based payment to employees. The Company uses EWT as 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 held by the trust are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of profit and loss 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 is classified as a finance or operating lease. Whenever the terms of the 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.

The company recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis, if required.

Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the standard are met.

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 assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold Land	30 to 33 years
Office Building and Guest House	2 to 10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (v) Impairment of Assets.

The Company's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

Lease Liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

In the Balance Sheet, the ROU and lease liabilities are presented separately. In the Statement of Profit and Loss, interest expense on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the Statement of Profit or 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 vehicles, and office buildings (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 assets 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 or another systematic basis, if required.

L. Income Taxes

Taxes comprises Current Tax, Deferred tax. 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.

(i) Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess/(shortfall) of the Company's income tax obligation for the period are recognised in the Balance Sheet under assets as income tax assets/under current liabilities as current tax liabilities.

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.

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 based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate 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:

a. The company will comply with the conditions attached to the grant.

b. 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:

a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.

b) Its intention to complete and its ability and intention to use or sell the product.

c) How the asset will generate future economic benefits.

d) The availability of resources to complete the asset.

e) 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 it's 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.

W. 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 31 March, 2026, the amendments to the standards that are notified by the MCA, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt these amendments to the standards, when they become effective.

Standards notified but not yet effective

The new and amended standards that are notified by the MCA, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt these new and amended standards, when they become effective.

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 - Events after the Reporting Period.

Ind AS 10 has been amended to remove the previous treatment under which a lender's post reporting date waiver - granted before the financial statements were approved for issue — of a breach of a material covenant in a long-term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after 1 April, 2026, any breach of a covenant — whether material or immaterial — occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

Notes to standalone financial statements

for the year ended 31 March 2026

(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 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	-	-	-	-	(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**	**15,030.84**
Additions during the year	-	197.31	282.04	615.22	117.82	4.73	-	1,922.58	33.64	207.00	3,380.34
Deletions	-	-	(1.39)	(3.94)	(7.26)	-	-	(17.62)	(3.03)	-	(33.24)
As at 31 March 2026	**648.95**	**7,702.23**	**1,156.40**	**1,146.92**	**947.88**	**1,014.63**	**10.74**	**4,359.63**	**733.01**	**657.56**	**18,377.95**
Depreciation											
As at 01 April 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	-	-	-	-	(0.03)	-	-	-	-	(7.81)	(7.86)
As at 31 March 2025	**-**	**1,594.02**	**627.11**	**248.37**	**649.17**	**397.40**	**0.43**	**930.85**	**475.32**	**292.82**	**5,215.50**
For the Year	-	187.96	161.00	40.28	62.18	181.24	0.44	466.51	57.47	40.53	1,197.62
Deletions	-	-	(1.39)	(1.83)	(3.09)	-	-	(10.13)	(0.85)	-	(17.30)
As at 31 March 2026	**-**	**1,781.98**	**786.72**	**286.81**	**708.26**	**578.64**	**0.87**	**1,387.23**	**531.93**	**333.35**	**6,395.83**
Carrying value											
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**
As at 31 March 2026	**648.95**	**5,920.25**	**369.68**	**860.10**	**239.63**	**435.99**	**9.87**	**2,972.39**	**201.08**	**324.22**	**11,982.12**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

4B. INTANGIBLE ASSETS

Particulars	Computer Software	Total
Gross Block		
As at 01 April 2024	**1,078.92**	**1,078.92**
Additions during the year	239.19	239.19
Deletions	-	-
As at 31 March 2025	**1,318.11**	**1,318.11**
Additions during the year	289.57	289.57
Deletions	-	-
As at 31 March 2026	**1,607.68**	**1,607.68**
Amortization		
As at 01 April 2024	**1,057.01**	**1,057.01**
For the Year	17.14	17.14
Deletions	-	-
As at 31 March 2025	**1,074.15**	**1,074.15**
For the Year	118.90	118.90
Deletions	-	-
As at 31 March 2026	**1,193.04**	**1,193.04**
Net Block		
As at 31 March 2025	**243.96**	**243.96**
As at 31 March 2026	**414.64**	**414.64**

4C. CAPITAL WORK-IN-PROGRESS

Particulars	31 March 2026	31 March 2025
Opening Balance	355.38	1,006.05
Additions during the year	946.55	797.02
Capitalisations during the year	-	(1,447.69)
Closing Balance	**1,301.93**	**355.38**

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 2026					
- Projects in progress	946.55	355.38	-	-	**1,301.93**
As at 31 March 2025					
- Projects in progress	355.38	-	-	-	**355.38**

The Capital Work in Progress (CWIP) as at 31 March 2026 includes Finance costs capitalised, to the Qualifying assets as per Ind AS 23 - Borrowing costs, amounting to ₹ 9.62 Lakhs(31 March 2025: Nil).

4D. LEASES

i) Right-of-use assets

The Company's lease asset's consists of leases of land and buildings and vehicle having various lease terms i.e (2 years-33 years). The Company has adopted IND AS 116 "Leases" to all lease contracts:

Particulars	Right-of-use assets	Total
Gross Block		
As at 01 April 2024	**227.29**	**227.29**
Additions during the year	282.97	282.97
Deletions	-	-
As at 31 March 2025	**510.26**	**510.26**
Additions during the year	71.79	71.79
Deletions	68.84	68.84
As at 31 March 2026	**513.21**	**513.21**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

i) Right-of-use assets (Contd.)

Particulars	Right-of-use assets	Total
Depreciation		
As at 01 April 2024	**39.84**	**39.84**
For the Year	58.41	58.41
Deletions	-	-
As at 31 March 2025	**98.25**	**98.25**
For the Year	52.72	52.72
Deletions	68.84	68.84
As at 31 March 2026	**82.13**	**82.13**
Net Block		
As at 31 March 2025	**412.00**	**412.00**
As at 31 March 2026	**431.08**	**431.08**

ii) Lease Liabilities

Particulars	31 March 2026	31 March 2025
Non-current	157.25	175.36
Current	66.63	37.37
Total	**223.88**	**212.73**

The following amounts related to Leases were recognised in the statement of profit or loss:

Particulars	31 March 2026	31 March 2025
Interest expense	14.95	7.63
Amortization expense	52.72	58.41
Total	**67.67**	**66.04**

The Company does not face a significant liquidity risk with regard to its lease liabilities as sufficient cash and bank balances exist 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 2024	60.00	60.00
Additions during the year	288.00	288.00
As at 31 March 2025	**348.00**	**348.00**
Additions during the year	-	-
Capitalisation	(138.00)	(138.00)
As at 31 March 2026	**210.00**	**210.00**

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 2026					
- Projects in progress	-	210.00	-	-	**210.00**
As at 31 March 2025					
- Projects in progress	288.00	60.00	-	-	**348.00**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

5. INVESTMENTS (NON CURRENT)

Particulars	31 March 2026	31 March 2025
Unquoted investments:		
Investment in Subsidiaries (At cost unless otherwise stated)		
91,22,858 (31 March 2025 - 91,22,858) Equity shares of $1/- each, fully paid up of Zen Technologies Inc, USA (31 Mar 2026-100%, 31 March 2025-100%)	10,120.78	10,120.78
2,88,794 (31 March 2025 - 2,88,794) Equity shares of ₹10/- each, fully paid up of Unistring Tech Solutions Private Limited, India (31 Mar 2026-51%, 31 March 2025-51%)	700.07	700.07
Nil (31 March 2025 - 10,409) Equity shares of ₹10/- each fully paid up of Aituring Technologies Private Limited, India (31 Mar 2026-Nil, 31 March 2025-51%)	-	387.00
99 (31 March 2025 - 99) Equity Shares of AED 1500/- each fully paid up of Zen Defence Technologies L.L.C, UAE (31 Mar 2026-100%, 31 March 2025-100%)	33.66	33.66
13,28,660 (31 March 2025 - 10,09,782) Equity shares of ₹ 10/- each fully paid up of Applied Research International Private Limited, India (31 Mar 2026-100%, 31 March 2025-76%)	12,640.30	8,850.00
35,100 (31 March 2025 - 35,100) Equity shares of ₹ 10/- each fully paid up of ARI Labs Private Limited, India (31 Mar 2026-100%, 31 March 2025-100%)	250.00	250.00
9,253 (31 March 2025 - 9,253) Equity shares of ₹ 10 each fully paid up of Vector Technics Private Limited, India (31 Mar 2026-51%, 31 March 2025-51%)	2,499.88	1,069.89
5,42,324 (31 March 2025 - Nil) equity shares of ₹ 10/- each fully paid up of TISA Aerospace Private Limited, India (31 Mar 2026-76%, 31 March 2025-Nil)	656.18	-
21,804 (31 March 2025 - Nil) equity of ₹ 10/- each fully paid up of Anawave Systems and Solutions Private Limited, India (31 Mar 2026-76%, 31 March 2025-Nil)	700.00	-
Investment in Associates (At cost unless otherwise stated):		
9,205 (31 March 2025 - 9,205) Equity shares of ₹10 each fully paid up of Bhairav Robotics Private Limited, India (31 Mar 2026-45.33%, 31 March 2025-45.33%)	399.96	399.96
10,409 (31 March 2025 - Nil) Equity shares of ₹10/- each fully paid up of Aituring Technologies Private Limited, India (31 Mar 2026-49%, 31 March 2025-Nil)	387.00	-
Investment in Others:		
75,20,000 (31 March 2025 - 75,20,000) Equity shares of ₹1/- each fully paid up of Zen Medical Technologies Pvt Ltd, India* (31 Mar 2026-100%, 31 March 2025-100%)	75.20	75.20
Less: Provision for Impairment of Investments	(75.20)	(37.50)
17,500 (31 March 2025 - 17,500) Equity shares and 2,139 (31 March 2025 - 2,139) Class Seed Preferred shares of Paladin AI INC., Canada*	224.22	224.22
Less: Provision for Impairment of Investments	(224.22)	(224.22)
	28,387.84	**21,849.06**

*Refer Note 34 for details on provision for impairment of investments

Acquisition of Applied Research International Private Limited (ARIPL)

On 14 February 2025, the Company entered into an agreement to acquire 100% of the equity share capital of Applied Research International Private Limited (""ARIPL"") .The acquisition was completed in two tranches. The first tranche of 76% was acquired in February 2025, and the remaining 24% was subsequently acquired, making ARIPL a wholly owned subsidiary of the company.The first tranche of 76% was acquired for a consideration of ₹ 8,850.00 Lakhs and was completed on 28 February 2025. The second and final tranche of 24% was completed on 17 October 2025 for a consideration of ₹ 3,790.30 Lakhs.

Acquisition of Applied Research Labs Private Limited (ALPL)

100% shares in ALPL have been acquired for a consideration of ₹ 250.00 Lakhs on 28 February 2025.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Acquisition of Vector Technics Private Limited

Pursuant to the approval of the Board of Directors on 14 February 2025, the Company acquired 51% of the equity share capital of Vector Technics Private Limited ("Vector") for a total consideration of ₹ 2,499.88 Lakhs.

During the year ended 31 March 2025, the Company acquired partly paid equity shares of Vector for a consideration of ₹ 1,069.89 Lakhs. Out of the equity shares acquired, 8,143 equity shares were partly paid as at 31 March 2025, with the unpaid portion representing 65% of the issue price amounting to ₹ 1,429.99 Lakhs, callable within 12 months from the issue date.

During the year ended 31 March 2026, the Company paid the balance consideration of ₹ 1,429.99 Lakhs towards the call money on the equity shares, in accordance with the terms of the acquisition agreement. Consequently, the said equity shares stand fully paid as at 31 March 2026.

Investment in Zen Technologies Inc, USA.

During the year ended 31 March 2025, the Company has invested US$ 10 million (₹ 8,686.00 Lakhs) in its wholly owned subsidiary Zen Technologies USA, Inc. to enable expansion of 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 ₹ 399.96 Lakhs.

Investment in TISA Aerospace Private Limited

Pursuant to the approval of the Board of Directors, on 22 June 2025, the Company has acquired 76% of shares in TISA Aerospace Private Limited for a consideration of ₹ 656.18 Lakhs.

Investment in Anawave Systems and Solutions Private Limited

Pursuant to the approval of the Board of Directors, on 21 November 2025, the Company has acquired 76% of shares in Anawave Systems and Solutions Private Limited for a consideration of ₹ 700.00 Lakhs.

Disposal in AiTuring Technologies Private Limited

During the year ended 31 March 2026, the Company's shareholding in AiTuring Technologies Private Limited reduced from 51% to 49%, pursuant to issue of new equity shares by AiTuring to other investors, without any corresponding acquisition or sale of shares by the Company. Consequently, the Company lost control over AiTuring and it has been reclassified from a subsidiary to an associate. The investment of 10,409 equity shares of ₹ 10/- each, fully paid up, held in AiTuring has accordingly been reclassified from "Investment in Subsidiary" to "Investment in Associate".

6. LOANS

6A Non-Current

Particulars	31 Mar 2026	31 Mar 2025
Loans to Subsidiaries		
-Unsecured, Considered good	800.00	-
	800.00	**-**

6B Current

Particulars	31 Mar 2026	31 Mar 2025
Loans to Subsidiaries		
- Unsecured, Considered good	5.10	0.80
	5.10	**0.80**

Refer note 40 for details of Related party transactions.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

7. DEFERRED TAX LIABILITIES/(ASSETS) - (NET)

Particulars	31 Mar 2026	31 Mar 2025
Deferred Tax Asset		
Gratuity and Bonus	(133.37)	(115.13)
Borrowings	-	(20.83)
Security Deposit	(5.91)	(69.21)
Trade Receivables	(35.99)	(45.01)
Provision for expenses	(182.44)	(362.00)
Other comprehensive income items	(55.86)	(71.19)
Deferred Tax Liability		
Leases	52.15	50.15
Accelerated depreciation for tax purposes	655.14	657.05
	293.72	**23.84**

Refer Note 36.

8. OTHER NON CURRENT ASSETS

Particulars	31 Mar 2026	31 Mar 2025
Prepaid expenses[#]	42.47	104.17
Others[##]	51.84	51.84
	94.31	**156.00**

[#] represents amount paid in advance for the expenses that have not yet been incurred at 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 2026	31 Mar 2025
Raw material	3,314.18	2,626.06
Work in progress	4,291.74	2,439.76
Finished Goods	788.25	36.00
	8,394.17	**5,101.82**

10. TRADE RECEIVABLES

Particulars	31 Mar 2026	31 Mar 2025
Trade Receivables	13,315.90	38,018.44
Less: Provision for expected credit losses	(143.02)	(178.83)
	13,172.88	**37,839.62**

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 in which any of the companies director is a partner, a director or a member.

- Trade Receivables are Non Interest Bearing.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Ageing Schedule of Trade receivables:

As at 31 March 2026

Particulars	Outstanding for the following periods from the due date of payment						
	Not Due	< 6 months	<1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed Trade receivables -considered good	6,725.28	3,514.44	2,102.88	816.59	10.72	145.99	13,315.90
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	6,725.28	**3,514.44**	**2,102.88**	**816.59**	**10.72**	**145.99**	**13,315.90**
Less: Provision for expected credit losses							(143.02)
Total							**13,172.88**

As at 31 March 2025

Particulars	Outstanding for the following periods from the due date of payment						
	Not Due	< 6 months	<1 year	1-2 years	2-3 years	> 3 years	Total
(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**

11. CASH AND CASH EQUIVALENTS

Particulars	31 Mar 2026	31 Mar 2025
Cash on hand	3.76	4.43
Balances with banks:		
- In current accounts	1,738.05	1,929.27
- In fixed deposits with original maturity Less than 3 months	1,155.24	1,490.00
	2,897.05	**3,423.70**

Reconciliation of liabilities from financing activities:

Particulars	31 March 2025	Cash flows	Non-Cash Transactions	31 March 2026
(a) Long-term borrowings (including current maturities)	5,220.36	(5,234.41)	14.05	-
(b) Lease liabilities	212.74	(81.31)	92.46	223.88
(c) Short-term borrowings	-	-	-	-
	5,433.10	**(5,315.72)**	**106.51**	**223.88**

*Excluding BG commission charges.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars		31 March 2024	Cash flows	Non-Cash Transactions	31 March 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.

12. OTHER BANK BALANCES

Particulars		31 Mar 2026	31 Mar 2025
-	Balances with banks for unclaimed dividend	10.73	8.10
-	Bank deposits held as margin money against bank guarantees	19,300.71	12,053.21
-	Bank Deposits with maturity more than 3 months and less than 12 Months	10.16	11,713.07
-	Other Fixed Deposits	-	208.37
-	Unspent CSR bank balance	66.06	-
		19,387.66	**23,982.74**

13. OTHER FINANCIAL ASSETS

Particulars	31 Mar 2026	31 Mar 2025
Non-Current		
Bank Deposits with original maturity more than 12 months remaining maturity more than 12 months	28,898.10	-
Security deposits	41.46	37.12
Deposits with government, public bodies and others	62.44	14.21
Advance for acquisition of shares	252.84	252.84
Less: Provision for Advances towards investment	(252.84)	(252.84)
	29,002.00	**51.33**
Current		
Unsecured, Considered good		
Bank Deposits with original maturity more than 12 months remaining maturity less than 12 months	63,355.85	76,524.43
Accrued Income but not due	815.70	1,110.63
Interest accrued but not due on deposits	1,599.77	1,448.34
Interest accrued but not due on loan to subsidiary	9.90	-
Deposits with government, public bodies and others	10.75	-
	65,791.97	**79,083.40**

Refer note 34 for impairment on Advances towards investment.

14. CURRENT TAX ASSETS (NET)

Particulars	31 Mar 2026	31 Mar 2025
Taxes paid	681.06	133.68
	681.06	**133.68**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

15. OTHER CURRENT ASSETS

Particulars	31 Mar 2026	31 Mar 2025
Unsecured, considered good		
Advance to material suppliers	9,128.00	2,190.51
Less: Provision for expected credit losses for advance to material suppliers	(20.97)	-
Prepaid expenses	290.26	300.22
Balance with statutory authorities	339.76	2,240.09
Capital advances	615.10	-
Advance to other creditors	121.56	5.32
Advances to employees	2.97	14.64
Other advances	0.49	0.10
	10,477.17	**4,750.88**

16. EQUITY SHARE CAPITAL

(i) Authorised share capital

Particulars	Equity Share	
	No. of shares	Amount in lakhs
As at 01 April 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**
Increase/(Decrease) during the year	-	-
As at 31 March 2026	**20,00,00,000**	**2,000.00**

(ii) Issued share capital

Particulars	Equity Share	
	No. of shares	Amount in lakhs
Equity share of ₹ 1 each issued, subscribed and fully paid up		
As at 01 April 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**
Increase/(Decrease) during the year	-	-
As at 31 March 2026	**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 Company has allotted 62,46,096 Equity Shares of face value of ₹1 per Equity Share at price of ₹1,601 per Equity Share, aggregating to ₹1,00,000 lakhs through Qualified Institutional Placement (QIP).

(iii) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹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.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

(iv) The details of shares held by shareholder holding more than 5% of shares in the Company

Particulars	31 March 2026		31 March 2025	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of ₹1/- each fully paid up				
Ashok Atluri	1,95,46,103	21.65%	1,95,46,103	21.65%
Kishore Dutt Atluri	1,47,40,970	16.33%	1,47,40,970	16.33%
Motilal Oswal Long Term Equity Fund	53,84,748	5.96%	-	-

(v) Shares held by promoters and promoter group

As at 31 March 2026

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	1,95,46,103	-	1,95,46,103	21.65%	0.00%
Kishore Dutt Atluri	Equity share of Re.1 each	1,47,40,970	-	1,47,40,970	16.33%	0.00%
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	2,000	10,02,000	1.11%	0.20%
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)	-	0.00%	-100.00%
Beena Atluri	Equity share of Re.1 each	4,34,364	16,346	4,50,710	0.50%	3.76%
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%	0.00%

*Note: Mr. Ravi Kumar Midathala ceased to be a promoter of the Company during the year, pursuant to which his shareholding of 5,00,000 shares stands excluded from the promoter and promoter group holding as at 31 March 2026.

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%

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

(vi) Shares Reserved for issue under options

For details of shares reserved for issue under the employee stock option ("ESOP") plan of the company, refer note 46.

(vii) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(viii) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

17. OTHER EQUITY

Particulars	Note no	31 Mar 2026	31 Mar 2025
Securities premium	17.1	1,09,045.14	1,09,045.14
Capital redemption reserve	17.2	117.24	117.24
General reserve	17.3	3,819.17	3,595.95
Retained earnings	17.4	68,918.57	56,131.39
Other comprehensive income	17.5	(111.55)	(157.13)
Share based payments reserve	17.6	376.35	230.73
Treasury Shares	17.7	(871.78)	(967.64)
		1,81,293.15	**1,67,995.68**

17.1 Securities premium

Particulars	31 Mar 2026	31 Mar 2025
Opening balance	1,09,045.14	11,088.60
Add: Additions during the year	-	97,956.54
	1,09,045.14	**1,09,045.14**

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 2026	31 Mar 2025
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 2026	31 Mar 2025
Opening balance	3,595.95	3,525.01
Add: Additions during the year	223.23	70.94
	3,819.17	**3,595.95**

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.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

17.4 Retained earnings

Particulars	Notes	31 Mar 2026	31 Mar 2025
Opening balance		56,131.39	30,734.61
Add: Net profit for the year		14,585.27	26,295.07
	(A)	**70,716.66**	**57,029.67**
Less: Dividend distributed to equity shareholders	(B)	(1,798.09)	(898.28)
	(A-B)	**68,918.57**	**56,131.39**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions to shareholders.

17.5 Other comprehensive income

Particulars	31 Mar 2026	31 Mar 2025
Actuarial Gain or Loss:		
Opening balance	(67.94)	10.94
Add: Additions during the year	10.36	(78.87)
Closing Balance	**(57.58)**	**(67.94)**
Foreign Currency Translation Reserve:		
Opening balance	(89.19)	(24.78)
Add: Additions during the year	35.22	(64.42)
Closing Balance	**(53.97)**	**(89.19)**
	(111.55)	**(157.13)**

17.6 Share Based Payments Reserve

Particulars	31 Mar 2026	31 Mar 2025
Opening Balance	230.73	285.94
Add: Employee Share Based Payment Expense	379.21	191.61
	609.94	**477.55**
Less: Exercise of Share Options	233.59	246.82
	376.35	**230.73**

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 46 for details on the Employee Stock Option Scheme.

17.7 Treasury Shares

Particulars	31 Mar 2026	31 Mar 2025
Opening Balance	(967.64)	(1,265.34)
Add: Purchase of treasury shares	-	-
	(967.64)	**(1,265.34)**
Less: Issue of Treasury Shares	(95.86)	(297.70)
	(871.78)	**(967.64)**

Treasury shares represent the shares of the Company held by the Zen Technologies Limited Employee Welfare Trust (ESOP Trust). Refer Note 3(J) and note 46.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

18. BORROWINGS (NON CURRENT)

Particulars	31 Mar 2026	31 Mar 2025
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**

The Company has fully repaid the loan outstanding during the year ended 31 March 2026.

19. DEFERRED GOVT. GRANT

Particulars	31 Mar 2026	31 Mar 2025
Deferred govt.grant (IDEX SPARK Grant)	15.00	15.00
	15.00	**15.00**

20. PROVISIONS

Particulars	31 Mar 2026	31 Mar 2025
Non-Current		
- Provision for gratuity	360.16	313.16
	360.16	**313.16**
Current		
- Provision for Gratuity	169.77	144.30
- Provision for warranty	568.76	744.46
- Provision for expenses	347.32	4,566.23
	1,085.85	**5,454.99**

21. BORROWINGS (CURRENT)

Particulars	31 Mar 2026	31 Mar 2025
Secured (at amortized cost)		
Current maturities of long-term debt	-	1,200.00
	-	**1,200.00**

Notes:

1. The Company has not used borrowings taken from banks and financial institutions for the purpose other than for which it was taken.
2. 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.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

22. TRADE PAYABLES

Particulars	31 Mar 2026	31 Mar 2025
Trade payables		
- Dues to Micro and Small Enterprises	779.28	835.22
- Dues to creditors other than micro and small enterprises	1,407.20	345.15
	2,186.48	**1,180.37**

Note: Trade payable are non interest bearing .

Ageing Schedule of Trade Payables:

As at 31 March 2026

Particulars	Outstanding for the following periods from the due date of payment					
	Not Due	<1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed dues - MSME	779.28	-	-	-	-	779.28
(ii) Undisputed dues - Others	1,335.53	71.67	-	-	-	1,407.20
	2,114.81	**71.67**	**-**	**-**	**-**	**2,186.48**

As at 31 March 2025

Particulars	Outstanding for the following periods from the due date of payment					
	Not Due	<1 year	1-2 years	2-3 years	> 3 years	Total
(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**

23. OTHER CURRENT LIABILITIES

Particulars	31 Mar 2026	31 Mar 2025
Income billed but not due	742.11	398.24
Taxes payable	496.90	1,147.94
Advance from customers	4,715.20	2,949.03
	5,954.21	**4,495.21**

24. OTHER FINANCIAL LIABILITIES

Particulars	31 Mar 2026	31 Mar 2025
CSR Payable	336.34	82.45
Unclaimed dividends	10.73	8.10
Salaries and benefits	59.28	593.73
Bonus and incentives	618.41	0.02
Other Payables	90.85	765.98
	1,115.63	**1,450.28**

25. CURRENT TAX LIABILITIES (NET)

Particulars	31 Mar 2026	31 Mar 2025
Provision for Income Tax (net of advance tax)	-	283.22
	-	**283.22**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

26. REVENUE FROM OPERATIONS

Particulars	31 Mar 2026	31 Mar 2025
(a) Sale of products	38,640.17	89,234.64
(b) Rendering of services	3,736.53	3,832.08
	42,376.70	**93,066.72**

27. OTHER INCOME

Particulars	31 Mar 2026	31 Mar 2025
Interest income	6,698.81	4,840.04
Foreign exchange fluctuation gain (net)	859.53	239.46
Provisions no longer required, written back	8.00	-
Others	150.64	698.93
	7,716.98	**5,778.43**

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.

28. COST OF MATERIALS AND COMPONENTS CONSUMED

Particulars	31 Mar 2026	31 Mar 2025
Opening stock of raw materials (Refer note 9)	2,626.06	5,875.07
Add: Purchases	19,181.95	35,782.14
	21,808.01	**41,657.21**
Less: Closing stock of raw materials (Refer note 9)	3,314.18	2,626.06
	18,493.83	**39,031.15**

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	31 Mar 2026	31 Mar 2025
Opening Work in progress	2,439.76	7,467.05
Opening Finished Goods	36.00	-
Opening Stock-in-trade	-	-
	2,475.76	**7,467.05**
Closing Work in progress	4,291.74	2,439.76
Closing Finished Goods	788.25	36.00
Closing Stock-in-trade	-	-
	5,079.99	**2,475.76**
Decrease/(Increase) in Inventory	**(2,604.23)**	**4,991.29**

30. MANUFACTURING EXPENSES

Particulars	31 Mar 2026	31 Mar 2025
Power and fuel	36.09	42.00
Factory maintenance	603.07	780.55
Factory wages	589.68	482.30
Material handling charges	42.89	45.61
Travel expenses - production	28.81	0.94
Training charges	5.68	3.70
Other consumables	77.77	42.92
	1,383.99	**1,398.02**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

31. EMPLOYEE BENEFITS EXPENSE

Particulars	31 Mar 2026	31 Mar 2025
Salaries, wages and bonus	4,831.39	5,105.35
Contribution to provident and other funds (Note 38)	93.80	85.99
Directors' sitting fees (Note 40)	19.50	12.50
Gratuity expense (Note 38)	127.45	80.13
Staff welfare expenses	169.67	225.85
Share based Payment Expenses (Note 46)	379.21	191.71
	5,621.02	**5,701.53**

32. FINANCE COSTS

Particulars	31 Mar 2026	31 Mar 2025
Bank Charges	15.22	13.62
BG Commission	112.23	151.87
Processing Charges	30.23	39.34
Interest on borrowings		
- interest on Lease Liability	14.95	7.63
- interest on Term Loan	90.05	587.21
- interest -MSME	0.11	1.01
- interest others	80.31	141.40
	343.10	**942.08**

33. DEPRECIATION AND AMORTIZATION

Particulars	31 Mar 2026	31 Mar 2025
Depreciation and Amortization Expense	1,316.52	950.99
Depreciation on Right-of-use assets	60.10	58.41
Less: Transfer to Capital work in progress	7.38	-
	1,369.24	**1,009.40**

34. OTHER EXPENSES

Particulars	31 Mar 2026	31 Mar 2025
Business promotion	159.83	162.85
Exhibition expenses	183.07	359.87
Commission on sales	-	98.17
System Installation & maintenance	92.29	311.53
Freight	373.57	634.29
Domestic travel	751.49	619.63
Foreign travel	215.30	407.81
Advertisement	118.20	101.52
Conveyance	51.65	68.87
Corporate social responsibility expense**	400.30	159.30
Electricity charges	52.05	50.55
Insurance	42.31	49.45

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

34. OTHER EXPENSES (Contd.)

Particulars	31 Mar 2026	31 Mar 2025
Office maintenance	405.03	471.15
Postage & telephone	38.88	35.69
Printing & stationery	34.02	25.60
Professional charges	1,322.13	3,549.18
Rates & taxes	49.05	63.23
Rent	105.02	336.19
Security expenses	84.49	80.18
Vehicle maintenance	35.04	41.25
Computer maintenance	1.75	0.41
Rent on machinery-R&D	1.20	1.12
Rent on lease vehicle	12.94	4.16
Spares & stores-R&D	799.50	1,527.46
Provision for Impairment of advances	-	252.84
Provision for Impairment of Investment	37.70	37.50
Provision for expected credit Loss	-	165.22
Payment to auditors	18.70	48.65
Provision for warranties	124.81	538.32
Gratuity-contract workers	75.87	-
Other expenses	293.44	370.65
	5,879.61	**10,572.64**
(i) Payment to auditors*		
For Statutory Audit	15.00	15.00
For Certification Fee	3.70	32.65
For Other Services	-	1.00
	18.70	**48.65**
(ii) Details of CSR expenditure**		
a) Gross amount required to be spent by the company during the year	400.29	159.30
b) Amount approved by the board to be spent during the year	400.29	159.30
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	400.29	159.30
c) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (i) above	146.39	76.85
d) Details of spent/unspent obligations:		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable trust	146.39	76.85
iii) unspent amount in relation to:		
- Ongoing Project	336.34	82.45
- Other than Ongoing Project	-	-
	482.73	**159.30**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Provision for impairment of investment:

During the year ended 31 March 2025, the Company had recognised an impairment loss of ₹ 37.50 lakhs on its investment in Zen Medical Technologies Private Limited, in accordance with Ind AS 36 – Impairment of Assets. Consequently, the carrying value of the said investment as at 31 March 2025 stood at ₹ 37.70 lakhs.During the current year, the Company has carried out a further assessment of the recoverable amount of the said investment. Based on the assessment of future cash flows, business performance, and other relevant indicators, the carrying amount of the investment was determined to be fully impaired. Accordingly, the carrying value of ₹ 37.70 lakhs has been recognised as an impairment loss in the Statement of Profit and Loss for the year ended 31 March 2026.As a result, the carrying value of the investment in Zen Medical Technologies Private Limited as at 31 March 2026 is ₹Nil (31 March: ₹37.70 Lakhs) (Refer Note 5).

Provision for impairment of advances:

During the year ended 31 March 2025, the Company had recognised an impairment of ₹ 252.84 lakhs on advance given to Paladin AI INC, considering the recoverability doubtful.

35. COMPONENTS OF OTHER COMPREHENSIVE INCOME

Particulars	31 Mar 2026	31 Mar 2025
Items that will not be reclassified subsequently to statement of profit or (loss)		
Re-measurement gains/(losses) on defined benefit plans	13.84	(105.40)
Deferred tax on remeasured gain/(loss)	(3.48)	26.53
Items that will be reclassified subsequently to statement of profit or (loss)		
Re-measurement gains/(losses) on foreign currency translation reserve	47.07	(86.08)
Income tax relating to items that will not be reclassified to profit or loss	(11.85)	21.66
Total Other Comprehensive Income, net of tax	**45.58**	**(143.29)**

36. INCOME TAX

The major components of income tax expenses :

Profit or loss section

Particulars	31 March 2026	31 March 2025
Current tax expense	4,237.00	9,443.00
Deferred tax	254.55	(561.71)
Prior Period Taxes	530.30	22.69
Total income tax expense recognised in Statement of Profit and Loss	**5,021.85**	**8,903.98**

OCI section

Particulars	31 Mar 2026	31 Mar 2025
Tax Effect on remeasurement of defined benefit plans	(15.33)	48.19
Income tax charged to OCI	**(15.33)**	**48.19**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

a) Reconciliation of tax expense to the accounting profit is as follows

Particulars	31 Mar 2026	31 Mar 2025
Profit before tax	19,607.12	35,199.05
At India's statutory income tax rate of (C.Y-25.17%), (P.Y-25.17%)	4,934.52	8,858.90
Adjustments in respect of current income tax of previous years	530.30	22.69
Adjustments:		
Items which are not tax deductible for computing taxable income	115.35	95.89
Effect of change in income tax rate for deferred tax recognised	-	(25.05)
Effect of items which are not taxable for computing taxable income	-	(48.45)
Others	(558.32)	-
Income tax expense recognised in the Statement of Profit and Loss	**5,021.85**	**8,903.98**

"Others" mainly represents tax impact of a provision for expenses made in an earlier year, which was disallowed at that time while computing taxable income, and has been allowed as a deduction in the current year upon actual payment.

b) Deferred tax liability/(asset)

Particulars	31 Mar 2026	31 Mar 2025
Deferred tax liability/(asset) (net)	293.72	23.83
Deferred tax liabilities/(assets) (net)	**293.72**	**23.83**

31 March 2026

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:					
Timing difference on:					
- Property, plant and equipment	657.05	(1.91)	-	-	655.14
- Disallowances under Income Tax Act, 1961, allowed on payment basis	(496.67)	272.70	-	-	(223.97)
- Remeasurement of defined benefit plans	(72.05)	-	15.33	-	(56.71)
- Others	(64.50)	(16.24)	-	-	(80.74)
Deferred tax liabilities/(assets) (net)	**23.83**	**254.55**	**15.33**	**-**	**293.72**

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:					
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)**	**-**	**23.83**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

37. 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 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 2026	31 March 2025
Earnings per equity share		
Profit attributable to equity shareholders (₹in lakhs)	14,585.27	26,295.07
Adjusted earnings	**14,585.27**	**26,295.07**
Weighted average number of equity shares outstanding (Nos.) of Face Value of ₹1/-each	9,02,90,356	8,40,44,260
Add: Weighted average of ordinary shares (Nos. 62,46,096) of face value of ₹ 1/- each	-	37,81,883
Less: Weighted average number of equity shares held by ESOP trust (Nos.) of Face value of ₹ 1/-each	(3,80,572)	(4,32,081)
Weighted average number of equity shares for Basic EPS (Nos.)	**8,99,09,784**	**8,73,94,062**
Weighted average number of equity shares for dilutive EPS (Nos.)	**8,99,09,784**	**8,73,94,062**
Face value per equity share (₹)	1.00	1.00
Earning per share - Basic (₹)	16.22	30.09
Earning per share - Diluted (₹)	16.22	30.09

38. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

(a) Defined contribution plan

Particulars	31 March 2026	31 March 2025
Profit or loss section		
Contribution to provident fund recognised as expense (Note 31)	93.80	85.99

(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.

Effective 21 November 2025, The Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour codes collectively referred to as the 'New Labour Codes'. Under Ind AS 19, changes to employee benefit plans arising from legislative amendments constitute a plan amendment, requiring recognition of past service cost immediately in the statement of profit and loss.

The company has assessed the impact of the labour codes on its employee benefit obligations based on the provisions notified and the current employee compensation structure. Based on such assessment, the company has concluded that the implementation of the labour codes does not result in any material impact on the employee benefit obligations or the financial statements for the current reporting period. The company will continue to evaluate the impact of any future amendments, notifications or rules issued under the labour codes and account for the same, if any, in the period in which such changes become effective.

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	31 March 2026	31 March 2025
Net employee benefit expense recognised in employee cost (Note 31)		
Current service cost	100.15	63.84
Past service cost	-	-
Interest cost on defined benefit obligation	35.89	27.74

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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: (Contd.)

Particulars	31 March 2026	31 March 2025
Interest income on plan assets	(11.94)	(11.45)
Other adjustments	3.33	-
Net benefit expense	**127.44**	**80.13**
Re measurement during the period/year due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(9.21)	87.51
Actuarial loss/(gain) arising from change in demographic assumptions	10.63	(10.81)
Actuarial loss/(gain) arising on account of experience changes	(3.07)	18.53
Return on plan assets excluding interest income	(12.20)	10.18
Amount recognised in OCI outside profit and loss statement	**(13.84)**	**105.40**
Balance Sheet		
Reconciliation of net liability/asset		
Closing Present Value of Defined Benefit Obligation	750.91	637.38
Closing Fair Value of Plan Assets	(220.98)	(179.92)
Closing net defined benefit liability	**529.93**	**457.46**
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	457.46	305.17
Current service cost	100.15	63.84
Past service cost	-	-
Interest cost	23.95	16.29
Adjustment to opening balance	(1.12)	-
Re measurement during the period due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(9.21)	87.51
Actuarial loss/(gain) arising from change in demographic assumptions	10.63	(10.81)
Actuarial loss/(gain) arising on account of experience changes	(3.07)	18.53
Return on plan assets excluding interest income	(12.20)	10.17
Benefits paid	(40.00)	(33.23)
Other adjustments	3.33	-
Closing defined benefit obligation	**529.93**	**457.46**
Change in fair value of plan assets during the year		
Opening Fair Value of Plan Assets	179.93	151.40
Adjustment to opening balance	(1.12)	-
Contributions paid by the employer	40.00	33.23
Return on plan assets (Excluding interest income)	11.47	(10.19)
Benefits paid	(20.87)	(5.97)
Interest income on Plan Assets	11.57	11.45
Closing Fair Value of Plan Assets	**220.98**	**179.93**

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

Particulars	31 March 2026	31 March 2025
Discount rate (p.a.)	6.59%	6.35%
Salary escalation rate (p.a.)	10.00%	10.00%
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: 14.89%	PS:0 to 42: 17.24%
Normal retirement age (in years)	60	60
Adjusted average future service	5.14	4.42

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

A quantitative analysis for significant assumptions is as shown below:

Particulars	31 March 2026	31 March 2025
Assumptions - Discount rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	714.94	610.17
Impact of Decrease in 1% on defined benefit obligation	790.88	667.36
Assumptions - Salary Escalation rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	776.15	657.06
Impact of Decrease in 1% on defined benefit obligation	726.19	618.08

Notes:

1. Liabilities are sensitive to discount rate, salary inflation and withdrawal rate.
2. Liabilities are less sensitive to change in mortality assumptions. Hence, sensitivities due to change in mortality not provided..

39. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

I) Claims against the Company not acknowledged as debts

i) On account of Direct Tax matters - ₹387.44 lakhs (31 March 2025: ₹ 441.48 Lakhs)

ii) On account of Indirect Tax matters (Central Excise Duty) - ₹823.42 lakhs (31 March 2025: ₹823.42 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 provided 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.

II) Guarantees and Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

At 31 March 2026, the Company has capital commitments of ₹ 3,095.55 lakhs relating to construction of new factory building and others. (31 March 2025: ₹ 591.98 lakhs relating to construction of new factory building).

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:	
Unistring Tech Solutions Private Limited, India	Subsidiary company
Zen Technologies Inc, USA	Wholly owned subsidiary company
Zen Medical Technologies Private Limited, India	Wholly owned subsidiary company
Zen Defence Technologies L.L.C, UAE	Wholly owned subsidiary company
AiTuring Technologies Private Limited, India	Subsidiary company (Till 18-09-2025)
Applied Research International Private Limited (ARIPL), India	Wholly owned subsidiary company
ARI Labs Private Limited, India	Wholly owned subsidiary company
Vector Technics Private Limited, India	Subsidiary company
TISA Aerospace Private Limited, India	Subsidiary company
Anawave Systems and Solutions Private Limited, India	Subsidiary company

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

A) Nature of relationship and names of related parties: (Contd.)

Name of the party	Nature of relationship
Applied Research International USA Inc., USA	Wholly owned subsidiary company of ARIPL
Applied Research International (UK) Ltd	Wholly owned subsidiary company of ARIPL
ARI (Applied Research International) Pte. Ltd., Singapore	Wholly owned subsidiary company of ARIPL
KIC Solutions Co., Ltd, South Korea	Joint Venture of ARIPL
(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 (Till 28-06-2025)
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. Durga Prasad Kode	Independent Director (w.e.f. 28-03-2025)
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)
Mr. Afzal Harunbhai Malkani	Chief Financial Officer (Till 30-11-2025)
Mr. Hari Haran Chalat	Chief Financial Officer (w.e.f 31-01-2026)
(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	Manager - HR & Admin, Daughter of Mr. Kishore Dutt Atluri
Ms. Abhilasha Atluri	Process Innovator - 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
(d) Other related firms & associates:	
Veer Sammaan Foundation, India	Founder Trustee
Zen Technologies Limited Employee Welfare Trust, India	Entity under the control of the company
Bhairav Robotics Private Limited, India	Associate Company
AiTuring Technologies Private Limited, India	Associate Company (w.e.f.19-09-2025)

B) Following are the transactions with related parties during the year:

Particulars	For the year ended 31 Mar 2026	For the year ended 31 Mar 2025
i) Purchases		
Unistring Tech Solutions Private Limited	7,574.48	15,132.14
AiTuring Technologies Private Limited	48.42	-
Bhairav Robotics Private Limited	5.00	-
ii) Capital Purchases		
Unistring Tech Solutions Private Limited	1,210.51	756.31
AiTuring Technologies Private Limited	613.61	230.51
iii) Sales		
AiTuring Technologies Private Limited	-	16.00
iv) Remuneration to KMP		
Mr. Ashok Atluri	213.16	235.99
Mr. Kishore Dutt Atluri	212.06	215.98
Mr. M Ravi Kumar	18.15	74.07
Ms. Shilpa Choudari	60.00	59.85

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

B) Following are the transactions with related parties during the year: (Contd.)

Particulars	For the year ended 31 Mar 2026	For the year ended 31 Mar 2025
Mr. Raghavendra Prasad Movva	-	11.37
Mr. Sourav Dhar	19.54	5.91
Mr. Afzal Harunbhai Malkani	90.00	102.50
Mr. Hari Haran Chalat	17.43	-
v) Commission to KMP		
Mr. Ashok Atluri	590.03	1,055.97
Mr. Kishore Dutt Atluri	423.77	930.65
vi) Remuneration to relatives of KMP		
Mr. Arjun Dutt Atluri	80.45	26.40
Ms. Anisha Atluri	28.05	18.00
Ms. Abhilasha Atluri	27.00	11.51
vii) Sitting Fee to Independent Directors		
Ms. Sirisha Chintapalli	4.50	2.50
Mr. Sanjay V Jesrani	8.25	5.00
Dr. Ravindra Kumar Tyagi	-	5.00
Mr. Durga Prasad Kode	6.75	-
viii) Rent		
Mrs. Ramadevi Atluri	7.76	7.39
ix) CSR Expenditure		
Veer Sammaan Foundation	146.39	76.85
x) Reimbursement of expenses		
Zen Defence Technologies L.L.C, UAE	4.30	-
xi) Investments		
Zen Technologies Inc, USA	-	8,686.11
Vector Technics Private Limited, India	1,430.00	-
Applied Research International Private Limited, India	3,790.31	-
xii) Loan Given		
Vector Technics Private Limited, India	800.00	-
xiii) Rental Income		
Unistring Tech Solutions Private Limited, India	2.25	-
TISA Aerospace Private Limited, India	1.08	-
xiv) Interest Income		
Vector Technics Private Limited, India	13.16	-

C) Balances with the related parties are summarised below:

Particulars	As at 31 Mar 2026	As at 31 Mar 2025
i) Related party receivables grouped under		
a) Other current assets:		
Unistring Tech Solutions Private Limited (Advance to material suppliers (Creditors))	3,927.27	515.50
Mr. Arjun Dutt Atluri (Advances to Employees)	-	2.29
Zen Defence Technologies L.L.C, UAE	5.10	2.91
AiTuring Technologies Private Limited (Advance to material suppliers (Creditors))	1,518.12	449.27
Bhairav Robotics Private Limited (Advance to material suppliers (Creditors))	197.10	-

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

C) Balances with the related parties are summarised below: (Contd.)

Particulars	As at 31 Mar 2026	As at 31 Mar 2025
TISA Aerospace Private Limited (Advance to material suppliers (Creditors))	418.00	-
b) Investments		
Zen Technologies Inc, USA	10,120.78	10,120.78
Unistring Tech Solutions Private Limited	700.07	700.07
Zen Medical Technologies Private Limited	-	37.70
Zen Defence Technologies L.L.C, UAE	33.66	33.66
AiTuring Technologies Private Limited	387.00	387.00
Applied Research International Private Limited	12,640.30	8,850.00
ARI Labs Private Limited	250.00	250.00
Bhairav Robotics Private Limited	399.96	399.96
Vector Technics Private Limited	2,499.88	1,069.89
TISA Aerospace Private Limited	656.18	-
Anawave Systems and Solutions Private Limited	700.00	-
ii) Related party payables grouped under:		
a) Other current Financial liabilities		
Mr. Ashok Atluri	572.21	1,083.27
Mr. Kishore Dutt Atluri	426.71	917.15
Ms. Shilpa Choudari	8.19	4.03
Mr. Arjun Dutt Atluri	20.37	-

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 2026	31 March 2025
a)	Principal amount outstanding (whether due or not) to micro and small enterprises.	779.28	835.22
b)	Interest due thereon.	0.11	1.01
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.	1.31	1.01
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.	-	-

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

42. DISCLOSURES UNDER IND AS 108: OPERATING SEGMENTS AND IND AS 115: REVENUE FROM CONTRACTS WITH CUSTOMERS

Operating Segments

The Company has identified 'Defence and Homeland', as its only primary reportable segment. The Board of Directors of the Company has 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.

Geographical Information

Non-current operating assets:

Particulars	31 March 2026	31 March 2025
India	14,434.08	11,313.10
Outside India	-	17.62
Total non-current assets	**14,434.08**	**11,330.72**

Non-current assets for this purpose excludes financial assets and deferred tax assets.

A. Satisfaction of performance obligation

i) 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.

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.

ii) Company's Contract normally do not contain significant financial component and any advance payment received and/or amount retained by customer is with intention of protecting either parties to the contract.

iii) Variable consideration primarily consist of liquidated damages. The amount of revenue recognised in respect of the same is determined based on the methodology specified in the contract . The amount is recognised as revenue based on contractual terms.

iv) The company's turnover mainly includes supply of training & counter drone solutions and other operational equipment including Annual Maintenance Contracts (AMC).

v) Warranties provided are primarily in the nature of performance warranties. If the terms of contract require the company to provide the customer with a service in addition to the assurance that the product complies with agreed-upon specification, the Company accounts for the promised warranty as a performance obligation.

vi) In case of AMC contracts, output method is used to recognise revenue where passage of time is the criteria for satisfaction of performance obligation.

B. Disaggregated revenue information

Below is the disaggregation of the Company's revenue from contracts with customers:

Geographical Information	For the Year ended 31 March 2026	For the Year ended 31 March 2025
Domestic	42,317.24	57,670.06
Overseas	59.46	35,396.66
Total revenue as per statement of profit or loss	**42,376.70**	**93,066.72**

The revenue information above is based on the locations of the customers.

Timing of revenue recognition	For the Year ended 31 March 2026	For the Year ended 31 March 2025
Goods transferred at a point of time	38,640.17	89,234.64
Services transferred at a point of time/over time	3,736.53	3,832.08
Total revenue as per statement of profit or loss	**42,376.70**	**93,066.72**

Information about major customers

Three customers individually contributed more than 10% of the company's revenue, together contributing 74.41% of the revenue for the year ended 31 March 2026 (31 March 2025: three customers contributing 63.77%).

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

C. Details of contract balances

Particulars		31 Mar 2026	31 Mar 2025
i)	**Contract Assets**		
	Accrued Income but not due (Note 13)	815.70	1,110.63
ii)	**Contract Liabilities**		
	Income billed but not due (Note 23)	742.11	398.24
	Advance from customers (Note 23)	4,715.20	2,949.03
iii)	**Trade Receivables**		
	Trade Receivables - Net of Provision for ECL (Refer Note 10)	13,172.88	37,839.62

i) Advance received from customer and milestone bills raised are classified as contract liability and progressively adjusted on completion of performance obligation. Balance amount receivable after adjusting advance is classified as Trade Receivable.

ii) Compensation accrued to the company upon satisfaction of the performance obligation but is not due as payment milestones are not achieved is recognised as "Contract Asset". Such balances are transferred to Trade receivable, when payment milestones are achieved.

iii) The amount of revenue recognised from advances from customers at the beginning of the year is ₹ 2,337.15 Lakhs (31 March 2025: ₹ 16,691.64 Lakhs)

D. Value of remaining Performance Obligations

As at 31 March 2026, unrecognised revenue from contracts with customer which are partially satisfied or unsatisfied amounted to ₹ 1,22,254.92 Lakhs (31 March 2025: ₹ 69,194.10 Lakhs)

E. Payment Terms

Payment Terms from the customer comprises of advances and stage payments which differs from contract to contract.

43. 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 2026		31 Mar 2025		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial assets						
Investments	5	-	-	-	-	-
Trade receivables	10	13,172.88	-	37,839.62	-	-
Cash and cash equivalents	11	2,897.05	-	3,423.70	-	-
Other bank balances	12	19,387.66	-	23,982.74	-	-
Loans	6	805.10	-	0.80	-	-
Other financial assets	13	94,793.97	-	79,134.74	-	-
Total financial assets		**1,31,056.66**	**-**	**1,44,381.60**	**-**	**-**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. (Contd.)

Particulars	Note no.	31 Mar 2026		31 Mar 2025		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial liabilities						
Borrowings	18 & 21	-	-	5,220.36	-	-
Lease liabilities	4D	223.88	-	212.73	-	-
Trade payables	22	2,186.49	-	1,180.37	-	-
Other financial liabilities	24	1,115.63	-	1,450.28	-	-
Total financial liabilities		**3,526.00**	**-**	**8,063.74**	**-**	**-**

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 2026 and 31 March 2025.

44. 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.

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. 1,144.48 Lakhs (31 March 2025: Rs.1,017.81 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 Companies 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 geographies. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Expenditure in foreign currency

Particulars	For the Year ended 31 March 2026	For the Year ended 31 March 2025
Raw Materials and Components	1,904.55	2,100.61
Foreign Travel	215.30	407.81
Membership	0.80	0.71
Professional Charges	2,063.48	12.10
Exhibition Expenses	18.28	129.72
Employee benefits expense	4.52	94.60
Others	303.83	388.37

Receivables/(Payables) in Foreign Currency

Particulars	31 March 2026	31 March 2025
Advance from customers	(503.39)	(460.27)
Trade payables	(1,121.66)	(30.99)
Trade Receivables	6.48	24,973.75
Advance to Material suppliers	152.38	30.05

Exchange gain of ₹859.53 lakhs and ₹239.46 lakhs has been recognised in the standalone statement of profit and loss for the years ended 31 March 2026 and 31 March 2025 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 forces, consequent to which the Company has a negligible credit risk associated with such receivables.

As the Company's debtors are predominantly the Indian Defense Forces where the counter-parties has 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.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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 2026						
Borrowings	-	-	-	-	-	-
Lease liabilities	223.88	-	-	66.63	48.52	108.73
Trade payables	2,186.49	-	2,186.49	-	-	-
Other financial liabilities	1,115.63	10.73	768.56	-	336.34	-
As at 31 March 2025						
Borrowings	5,220.36	-	300.00	900.00	4,020.36	-
Lease liabilities	212.73	-	4.61	32.76	33.94	141.42
Trade payables	1,180.37	-	1,180.37	-	-	-
Other financial liabilities	1,450.28	8.10	1,442.15	0.02	-	-

45. 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 2026	31 March 2025
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)	(22,284.71)	(27,406.45)
Net debt (A)	**(22,284.71)**	**(22,186.09)**
Equity (B)	1,82,196.05	1,68,898.58
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 2026 and 31 March 2025 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 2026 and 31 March 2025.

46. 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 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 40,00,000 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 ₹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 ₹1,567.66 lakhs.

During the year ended 31 March 25 the Nomination and Remuneration Committee had further granted 5,000 options on 4 May 2024 at an exercise price of ₹100 per option; 10,500 options on 28 July 2024 at an exercise price of ₹500 per option; 47,000 options on 14 February 2025 at an exercise price of ₹500 per option; and 1,37,000 options on 28 March 2025 at an exercise price of ₹500 per option. During the year ended 31 March 26 the Nomination and Remuneration Committee had granted 37,750 options on 25 October 2025 at an exercise price of ₹250 per option and 1,27,500 options on 30 March 2026 at an exercise price of ₹250 per option.

In the standalone financial statements, the Company had 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 the Company held by the trust is shown as treasury shares in "other equity".

The nature and extent of share-based payment arrangements that existed during the period.

Summary of options granted under plan:

Particulars	31 March 2026	31 March 2025
Options Outstanding at the beginning of the year	35,18,100	36,16,600
No. of Options Granted during the Year	1,65,250	1,99,500
No. of Options Exercised during the year	39,400	1,21,800
No. of Options Forfeited/Expired during the year	1,41,500	1,000
Options Outstanding at the ending of the year	34,94,350	35,18,100
Vested and Exercisable	3,760	20,910

The fair values were calculated using the Black-Scholes Model for tenure based options. The inputs to the model include the share price at date of grant, exercise price, expected life, expected volatility, expected dividends and the risk free rate of interest. Expected volatility has been calculated using historical return on share price.

47. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	31 March 2026	31 March 2025	% of Variance	Reason for variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	11.61	10.94	6.06%	-
Debt-Equity Ratio (in times)	Total Debt (Current borrowings and non current borrowings)	Shareholder's Equity	-	0.03	100.00%	The Debt to Equity Ratio declined by 100% due to the repayment of loans.
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	3.07	18.96	-83.83%	The Debt Service Coverage Ratio declined by 83.33% due to the repayment of loans.
Return on Equity Ratio (in %)	Profit for the year less preference dividend (if any)	Average Shareholder's Equity	8.31%	24.55%	-66.15%	Lower PAT in FY26 due to moderation in revenue and negative operating leverage..
Inventory turnover ratio (in times)	Cost of goods sold/ Sales	Average Inventory	2.56	4.93	-48.03%	Decrease in COGS which is commensurate with the decrease in revenues during the year resulting in lower inventory ratio
Trade Receivables turnover ratio (in times)	Revenue From Operations	Average Trade Receivable	1.66	3.40	-51.13%	Lower trade receivable due to lower revenue base during the year
Trade payables turnover (in times)	Cost of material +Manufacturing Expenses+ Other expenses	Average Trade Payables	15.71	25.16	-37.56%	Decrease due to lower credit purchases and improved vendor payment cycles
Net capital turnover ratio (in times)	Revenue From Operations	Working capital = Current assets – Current liabilities	0.38	0.66	-42.17%	Decrease in ratio is on account of increase in working capital for orders pending execution.
Net profit ratio (in %)	Profit for the year	Revenue From Operations	34.42%	28.25%	21.82%	Improved PAT margin driven by favourable product mix and higher other income.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

47. RATIO ANALYSIS AND ITS ELEMENTS (Contd.)

Ratio	Numerator	Denominator	31 March 2026	31 March 2025	% of Variance	Reason for variance
Return on Capital employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	10.97%	20.81%	-47.29%	EBIT reduced in line with lower revenue; capital employed grew on account of strong equity accretion.
Return on Investment*	Income from Investment	Cost of Investment	NA	NA	NA	NA

*The company is not having any market linked investments.

48. DIVIDEND PROPOSED AND PAID

Cash dividends on equity shares paid:	31 Mar 2026	31 Mar 2025
Final dividend for the year ended on 31 March 2025: ₹2.00 per share (31 March 2024: ₹1.00 per share)	1,798.09	898.28
	1,798.09	**898.28**

*Dividend declared on shares held by the ESOP trust which are accounted as treasury shares in these financial statements amounting to ₹7.71 lakhs (31 March 2025: ₹4.63 lakhs) are not recognised as distribution of dividend to shareholders and has been adjusted directly to other equity.

Proposed dividends on Equity shares*	31 Mar 2026	31 Mar 2025
Final cash dividend for the year ended on 31 March 2026: ₹ 1.00 per share (31 March 2025: ₹ 2.00 per share)	902.90	1,798.09
	902.90	**1,798.09**

*Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability

49. 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 2026	For the year ended 31 Mar 2025
Employee Benefits expense	1,398.23	1,789.46
Electricity Charges	31.37	31.27
Travelling expenses	44.70	30.38
Spares & Stores	965.62	669.55
Consultancy Fee	281.23	12.70
Depreciation	47.86	31.88
Rates &Taxes	0.57	0.05
Repairs & Maintenance	32.39	26.84
Others	78.09	34.84
R&D Expenses for Unit-I	**2,880.06**	**2,626.97**
Employee Benefits expense	789.26	652.20
Electricity Charges	10.37	12.54
Depreciation	-	-
Repairs & Maintenance	9.92	9.49
Others	-	-
R&D Expenses for Unit-II	**809.55**	**674.23**
R&D Expenses for Unit I & Unit II	**3,689.60**	**3,301.20**

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 2025	Additions	Sales/ Adjustments	As at 31 March 2026	As at 01 April 2025	Charge for the year	Sales/ Adjustments	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Tangible Assets(A)	**1,284.90**	**15.96**	**-**	**1,300.87**	**622.65**	**47.89**	**-**	**670.53**	**630.34**	**662.26**
Land	51.50	-	-	51.50	-	-	-	-	51.50	51.50
Building - Sanathnagar	508.01	12.92	-	520.93	113.41	8.68	-	122.09	398.84	394.59
Shed - B42	5.12	-	-	5.12	0.89	0.09	-	0.98	4.14	4.23
Shed - CNC - B 42	10.74	-	-	10.74	0.43	0.36	-	0.78	9.95	10.31
Computers	106.74	-	-	106.74	106.74	0.00	-	106.74	-	0.00
Plant and machinery	218.75	-	-	218.75	139.78	9.59	-	149.37	69.38	78.98
Office Equipment	170.83	1.07	-	171.90	86.21	17.23	-	103.43	68.47	84.62
Furniture & fixtures	149.02	1.97	-	150.99	117.05	10.90	-	127.95	23.04	31.98
Testing Equipment	64.20	-	-	64.20	58.15	1.03	-	59.17	5.02	6.06
INTANGIBLE (B)	**907.82**	**-**	**-**	**907.82**	**907.82**	**-**	**-**	**907.82**	**0.00**	**0.00**
Software	306.01	-	-	306.01	306.01	-	-	306.01	-	-
Software (RKT)	601.81	-	-	601.81	601.81	-	-	601.81	0.00	0.00
Total (A+B)	**2,192.72**	**15.96**	**-**	**2,208.69**	**1,530.47**	**47.89**	**-**	**1,578.35**	**630.34**	**662.26**

Unit-2, Signature Towers, Kondapur

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2025	Additions	Sales/ Adjustments	As at 31 March 2026	As at 01 April 2025	Charge for the year	Sales/ Adjustments	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Tangible Assets(A)	**2,249.99**	**50.64**	**-**	**2,300.61**	**583.11**	**101.94**	**-**	**685.05**	**1,615.57**	**1,666.86**
Land	199.15	-	-	199.15	-	-	-	-	199.15	199.15
Building	1,459.39	-	-	1,459.39	164.86	24.32	-	189.17	1,270.21	1,294.54
Computers	145.21	46.28	-	191.49	89.12	41.20	-	130.31	61.17	56.10
Office Equipment	106.45	3.02	-	109.45	101.23	2.39	-	103.62	5.85	5.21
Furniture & fixtures	339.79	1.34	-	341.14	227.92	34.02	-	261.94	79.19	111.87
R&D Total Assets	**4,442.70**	**66.61**	**-**	**4,509.31**	**2,113.58**	**149.83**	**-**	**2,263.40**	**2,245.91**	**2,329.12**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

50. 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 2026	31 March 2025
Zen Defence Technologies L.L.C, UAE		
Balance at the year end	5.10	2.91
Maximum amount outstanding at any time during the year	5.10	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.

51. 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.

52. 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

Murali Krishna Reddy Telluri
Partner
Membership Number: 223022

Place: Hyderabad
Date: 01 May 2026

For and on behalf of the Board of Directors of
Zen Technologies Limited

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

Shilpa Choudari
Whole Time Director
DIN: 06646539

Hari Haran Chalat
Chief Financial Officer

Sourav Dhar
Company Secretary
M.No.: A63455

Place: Hyderabad
Date: 01 May 2026

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 associates and joint venture comprising of the consolidated Balance Sheet as at 31 March 2026, 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 2026, 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 associates 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 & 41 of the Consolidated financial statements)	
During the year, the Group's revenue from operations decreased by 29.37%. 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. 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	Our audit procedures included the following: 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 (Contd.)

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 52 of the consolidated financial statements)	
During the year, the parent has investments of ₹ 6,576.48 Lakhs in TISA Aerospace Private Limited, Anawave Systems and Solutions Private Limited, Applied Research International Private Limited and Vector Technics 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 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 associates 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 associates 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 associates 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 associates 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 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 associates 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 2026 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 eleven subsidiaries, an associate and a Joint venture, included in the accompanying consolidated financial statements of the Group whose financial statements reflect Group's share of total assets of ₹48,828.71 Lakhs (before consolidation adjustments) as at March 31, 2026, Group's share of total revenue of ₹35,698.89 Lakhs (before consolidation adjustments), Group's share of total net profit after tax/(loss) of ₹8,238.52 Lakhs (before consolidation adjustments) and Group's share of total comprehensive income/(loss) of

₹9,008.58 Lakhs (before consolidation adjustments) for the year ended on that date, as considered in the consolidated financial statements. This financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of branch, trust and 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 branch, trust and subsidiaries is based solely on the reports of the other auditors.

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 which have been audited by other auditor under generally accepted auditing standards applicable in their respective countries. 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 subsidiaries 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.

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 01 May 2026 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 companies, none of the directors of the Group's companies or its associates, incorporated in India, is disqualified as on 31 March 2026 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 companies 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 2026 has been paid/provided by the Holding Company and such subsidiary companies and associate companies 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 associates and joint venture Refer Note 38 to the consolidated financial statements;

        ii. The Group, its associates and joint venture not required to recognise a provision as at March 31, 2026 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group, its associates and joint venture did not have any long-term derivative contracts as at March 31, 2026.

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 companies incorporated in India the year ended 31 March 2026.

iv. (a) The respective managements of the Holding Company, its subsidiaries associates 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 associates 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 associates ("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 associates 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 associates 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 associates 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, 2026 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 associates 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 Qualifications by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Name	CIN	Relation	Clause number of the CARO report which is qualified
Anawave Systems and Solutions Private Limited	U74999KA2016PTC096393	Subsidiary	(i)(c)

For RAMASAMY KOTESWARA RAO AND CO LLP
Chartered Accountants
ICAI Firm Registration No.: 010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership No.: 223022
UDIN: 26223022EMPLSD1933

Place: Hyderabad
Date: 01 May 2026

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, 2026, 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 associates, 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 companies, 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 2026, 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.

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 seven subsidiary companies, and an 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: 26223022EMPLSD1933

Place: Hyderabad
Date: 01 May 2026

Consolidated Balance Sheet

As at 31 March 2026

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

S. No.	Particulars	Notes	As at 31 Mar 2026	As at 31 Mar 2025
I	**Assets**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	4A	13,693.69	10,642.97
	(b) Capital work-in-progress	4C	1,333.88	355.38
	(c) Right-of-use asset	4D	1,632.84	2,451.92
	(d) Goodwill	4E	7,638.36	7,018.06
	(e) Intangible assets	4B	889.05	704.00
	(f) Intangible assets under development	4F	210.00	370.29
	(g) Investments in equity accounted associates and joint venture	5A	622.40	402.72
	(h) Financial assets			
	(i) Investments	5B	0.06	-
	(ii) Loans	6C	5.86	8.97
	(iii) Other Financial Assets	6A	32,276.95	1,735.30
	(i) Deferred Tax Assets (Net)	7A	742.40	444.53
	(j) Other non-current assets	8	1,559.84	358.82
			60,605.34	**24,492.96**
(2)	**Current assets**			
	(a) Inventories	9	18,818.61	11,926.75
	(b) Financial assets			
	(i) Trade receivables	10	22,400.64	41,042.67
	(ii) Cash and cash equivalents	11	7,893.72	7,415.40
	(iii) Bank balances other than (ii) above	12	27,579.45	32,648.81
	(iv) Loans	13	6.92	243.03
	(v) Other financial assets	6B	69,759.77	80,719.17
	(c) Current Tax Assets (Net)	14	686.12	1,292.58
	(d) Other current assets	15	8,271.75	5,120.98
			1,55,416.98	**1,80,409.40**
	Total Assets		**2,16,022.31**	**2,04,902.36**
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	16	902.90	902.90
	(b) Other Equity	17	1,88,003.26	1,69,166.29
	Equity attributable to equity holders of the parent		**1,88,906.16**	**1,70,069.19**
	(c) Non-controlling interests	17	6,002.24	3,521.82
	Total Equity		**1,94,908.40**	**1,73,591.01**
	Liabilities			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	18	140.86	4,020.36
	(ii) Lease liabilities	4D	967.44	1,717.42
	(iii) Deferred Govt. Grant	19.1	15.00	15.00
	(b) Provisions	20	1,291.38	1,116.51
	(c) Deferred Tax Liability (Net)	7B	477.45	-
	(d) Other Non-Current Liabilities	19.2	675.26	45.00
			3,567.39	**6,914.29**
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	21	197.37	1,394.81
	(ii) Lease Liabilities	4D	546.07	637.77
	(iii) Trade payables	22		
	Dues to micro and small enterprises		1,738.45	1,089.12
	Dues to creditors other than micro and small enterprises		3,194.41	1,457.71
	(iv) Other Financial liabilities	19.3	1,747.54	5,670.44
	(b) Provisions	20	1,912.46	7,296.03
	(c) Other current liabilities	23	7,841.16	6,567.95
	(d) Current Tax Liabilities (Net)	24	369.06	283.22
			17,546.52	**24,397.06**
	Total Equity and Liabilities		**2,16,022.31**	**2,04,902.36**
	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

Place: Hyderabad
Date: 01 May 2026

For and on behalf of the Board of Directors of
Zen Technologies Limited

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

Hari Haran Chalat
Chief Financial Officer

Shilpa Choudari
Whole Time Director
DIN: 06646539

Sourav Dhar
Company Secretary
M.No.: A63455

Place: Hyderabad
Date: 01 May 2026

Consolidated Statement of Profit and Loss

For the year ended 31 March 2026

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

S. No.	Particulars	Notes	For the year ended 31 Mar 2026	For the year ended 31 Mar 2025
1	**Income**			
	Revenue from operations	25	68,769.00	97,364.16
	Other Income	26	8,542.16	5,838.55
	Total Income		**77,311.16**	**1,03,202.71**
2	**Expenses**			
	Cost of Materials and Components consumed	27	18,530.46	34,518.85
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(1,982.77)	2,380.83
	Manufacturing expenses	29	4,531.73	1,573.16
	Employee benefits expense	30	12,694.38	8,875.58
	Finance Costs	31	1,027.07	1,037.56
	Depreciation and Amortization Expense	32	2,438.69	1,541.37
	Other expenses	33	10,271.09	12,663.36
	Total Expenses		**47,510.65**	**62,590.71**
3	**Profit/(loss) before Share of Profit/(Loss) of Associates and Joint Venture, exceptional items and tax (1-2)**		**29,800.51**	**40,612.01**
4	Share of Profit/(Loss) of Associates and Joint Venture		(230.63)	(4.62)
5	**Profit/(Loss) before exceptional items & Tax (3+4)**		**29,569.88**	**40,607.39**
6	Exceptional Items	52	94.24	-
7	**Profit/(Loss) before tax (5+6)**		**29,664.12**	**40,607.39**
8	**Tax expense**	35		
	(i) Current tax		7,537.50	11,170.59
	(ii) Prior period tax		400.46	22.69
	(iii) Deferred tax		(66.36)	(519.35)
	Total Tax expense		**7,871.60**	**10,673.93**
9	**Profit for the year (7-8)**		**21,792.52**	**29,933.46**
10	**Other Comprehensive Income**	34		
	Items that will not be reclassified to profit or loss		132.45	(117.48)
	Income tax relating to items that will not be reclassified to profit or loss		(33.24)	27.47
	Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**99.21**	**(90.01)**
	Items that will be reclassified to profit or loss		952.71	(223.93)
	Income tax relating to items that will be reclassified to profit or loss		(236.27)	57.33
	Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**716.44**	**(166.61)**
	Other Comprehensive Income for the year, net of tax		**815.65**	**(256.62)**
11	**Total Comprehensive Income for the year (9+10)**		**22,608.17**	**29,676.84**
	Profit/(loss) for the year is attributable to:			
	Equity holders of the parent		19,345.19	28,024.41
	Non-Controlling interests		2,447.33	1,909.05
	Other comprehensive income/(loss) is attributable to:			
	Equity holders of the parent		825.16	(252.19)
	Non-Controlling interests		(9.51)	(4.43)
	Total comprehensive income is attributable to:			
	Equity holders of the parent		20,170.35	27,772.22
	Non-Controlling interests		2,437.82	1,904.62
12	**Earning per Share**	36		
	(Face Value of ₹1/- Each)			
	Basic earnings per share (In ₹)		21.52	32.07
	Diluted earnings per share (In ₹)		21.52	32.07
	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

Place: Hyderabad
Date: 01 May 2026

For and on behalf of the Board of Directors of
Zen Technologies Limited

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

Hari Haran Chalat
Chief Financial Officer

Shilpa Choudari
Whole Time Director
DIN: 06646539

Sourav Dhar
Company Secretary
M.No.: A63455

Place: Hyderabad
Date: 01 May 2026

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars		For the year ended 31 Mar 2026	For the year ended 31 Mar 2025
A.	**Cash Flows from Operating Activities**		
	Net profit before tax	**29,664.12**	**40,607.39**
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expense	2,438.69	1,541.36
	Share of profit and Loss from Associate & Joint Venture	230.63	4.62
	Profit on Sale of Property, Plant and Equipment	19.92	(0.20)
	Provision for impairment of advances	10.52	252.84
	Provision for Warranty	132.31	0.82
	Provision for contract workers	75.87	-
	Provision for compensated Absences	59.83	-
	Gain on Derecognition of subdidiary	(94.24)	-
	Expected Credit loss allowance	37.93	165.22
	Other non-cash items	42.14	582.17
	Interest Income	(7,266.13)	(4,860.51)
	Finance Cost	688.75	613.36
	Interest on lease liability	78.15	72.76
	Gratuity expense	222.73	80.17
	Provision for Employee benefit expenses	100.25	-
	Gain on Derecognition of ROU Assets	(58.24)	-
	Share Based Payments	379.21	191.71
	Exchange fluctuation	17.61	(247.49)
	Other Adjustments	1.70	-
	Operating profit before working capital changes	**26,781.75**	**39,004.22**
	Changes in Working Capital	`	`
	(Increase)/Decrease in Trade Receivables	19,770.69	(17,482.76)
	(Increase)/Decrease in Other financial assets	(1,207.51)	(1,883.18)
	(Increase)/Decrease in Inventories	(7,108.11)	5,379.50
	(Increase)/Decrease in Other Current Assets	(1,454.50)	7,895.98
	(Increase)/Decrease in Other Non Current Assets	(928.57)	(17,794.62)
	(Increase)/Decrease in Other Non Current Financial Assets	(52.57)	17,730.58
	(Increase)/Decrease in Short Term Borrowings	28.80	(47.92)
	Increase/(Decrease) in Trade Payables	1,913.60	(3,466.31)
	Increase/(Decrease) in Other financial liabilities	(349.04)	1,850.00
	Increase/(Decrease) in Other Current liabilities	704.82	(17,791.31)
	Increase/(Decrease) in Other Non Current liabilities	579.23	45.00
	Increase/(Decrease) in Provisions	(5,425.32)	1,319.14
	Cash generated from/(used in) operating activities	**33,253.28**	**14,758.33**
	Income tax paid	(8,792.93)	(11,654.87)
	Net Cash from/(used in) operating activities (A)	**24,460.35**	**3,103.46**
B.	**Cash flows from Investing Activities**		
	Purchase of property, plant and equipment and CWIP	(5,881.28)	(3,230.45)
	Proceeds from sale of Property, Plant and Equipment	(43.59)	1.06
	Loan Repayment	-	(156.14)
	Interest received	7,139.10	4,852.24
	Capital Advances	(257.01)	-
	Purchase of Investments	-	(212.53)
	Loans and Advances	(4.31)	-
	Cash and cash equivalents included in disposed subsidiary	(207.19)	-
	Acquisition of Subsidiary Net of cash	(4,413.28)	(6,333.08)
	(Increase)/Decrease in Other Bank Balances	(12,482.43)	(94,954.31)
	Payments of long term security deposits	-	(8.83)
	Net Cash from/(used in) Investing Activities (B)	**(16,149.99)**	**(1,00,042.04)**
C.	**Cash flows from Financing Activities**		
	Proceeds/(Repayment) of Long term borrowings	(5,213.44)	4,430.22
	Proceeds/(Repayment) of Short term borrowings	1.17	(4.97)
	Proceeds from Issue of Shares	0.78	98,019.00
	Proceeds from Issue of Employee Stock Options	-	121.81
	Issue of Treasury Shares	85.50	-
	Dividend paid	(1,798.09)	(898.27)
	Finance costs paid	(300.52)	(505.91)
	Principal portion of the lease liability	(607.43)	(478.74)
	Net Cash from/(used in) Financing Activities (C)	**(7,832.03)**	**1,00,683.14**
	Net Increase in cash and cash equivalents (A+B+C)	**478.32**	**3,744.55**
	Cash and Cash equivalents at the beginning of the year	7,415.40	3,670.85
	Cash and Cash equivalents at the end of the year	**7,893.72**	**7,415.40**

Consolidated Statement of Cash Flows (Contd.)

For the year ended 31 March 2026

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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 2026	For the year ended 31 Mar 2025
Cash and Cash Equivalents as per Balance sheet	**7,893.72**	**7,415.40**
Less: OD/CC accounts forming part of Cash & Cash Equivalents	-	-
Cash and Cash Equivalents for the Cash flow statement	**7,893.72**	**7,415.40**

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

Murali Krishna Reddy Telluri
Partner
Membership Number: 223022

For and on behalf of the Board of Directors of
Zen Technologies Limited

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

Shilpa Choudari
Whole Time Director
DIN: 06646539

Hari Haran Chalat
Chief Financial Officer

Sourav Dhar
Company Secretary
M.No.: A63455

Place: Hyderabad
Date: 01 May 2026

Place: Hyderabad
Date: 01 May 2026

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

(A) SHARE CAPITAL

	Number of shares	Amount (₹)
As at 01 April 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**
Issued during the year	-	-
Redeemed/transferred during the year	-	-
As at 31 March 2026	**9,02,90,356**	**902.90**

(B) OTHER EQUITY (NOTE 17)

Particulars	Reserves and Surplus						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 based payment reserve	Treasury shares	Re Measurements of Defined Benefit Plans	Foreign Currency Translation Reserve			
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
Issue of equity shares	97,956.54	-	-	-	-	-	-	-	97,956.54	-	97,956.54
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)	-	-	-	-	-	-
Balance 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**
Balances as at 1 April 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**
Profit for the Year	-	-	-	19,345.19	-	-	-	-	19,345.19	2,437.81	21,783.00
Issue of equity shares	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive income (net of tax)	-	-	-	-	-	-	108.92	716.25	825.17	-	825.17
Dividend paid	-	-	-	(1,798.09)	-	-	-	-	(1,798.09)	-	(1,798.09)
Share based payment charge on account of options granted during the year	-	-	-	-	368.85	-	-	-	368.85	-	368.85
(Purchase)/Issue of treasury shares by the trust during the year (net)	-	-	-	-	-	95.86	-	-	95.86	-	95.86
Addition due to Business Combination	-	-	-	-	-	-	-	-	-	42.58	42.58
Transfer on account of Exercise of Options	-	-	223.23	-	(223.23)		-	-	-	-	-
Balance as at 31 March 2026	**1,09,045.14**	**117.24**	**3,819.18**	**74,910.03**	**376.36**	**(871.79)**	**29.28**	**577.84**	**1,88,003.27**	**6,002.24**	**1,94,005.50**

Summary of Material Accounting Policies - Refer Note 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

Place: Hyderabad
Date: 01 May 2026

For and on behalf of the Board of Directors of
Zen Technologies Limited

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

Hari Haran Chalat
Chief Financial Officer

Shilpa Choudari
Whole Time Director
DIN: 06646539

Sourav Dhar
Company Secretary
M.No.: A63455

Place: Hyderabad
Date: 01 May 2026

Notes to the Consolidated Financial Statements

For the year ended March 31 2026

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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 2026.

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 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 2026, were approved by the Board of Directors and authorised for issue on 01 May 2026.

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 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 Holding Company and its subsidiaries as at 31 March 2026. 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:

a) Power over the investee (i.e, existing rights that give it the current ability to direct the relevant activities of the investee),

b) Exposure, or rights, to variable returns from its involvement with the investee, and

c) 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:

a) The contractual arrangement with the other vote holders of the investee.

b) Rights arising from other contractual arrangements.

c) The Group's voting rights and potential voting rights.

d) 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 2026. 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

a) 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.

b) 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.

c) 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.

d) 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

a) Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

b) Derecognises the carrying amount of any noncontrolling interests;

c) Derecognises the cumulative translation differences recorded in equity;

d) Recognises the fair value of the consideration received;

e) Recognises the fair value of any investment retained;

f) Recognises any surplus or deficit in profit or loss; and

g) Recognises the distribution of shares of subsidiary to Group in Group's capacity as owners.

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Details of group companies included in Consolidated Financial Statements are as under:

Subsidiaries

Indian Subsidiaries

Unistring Tech Solutions Private Limited

Zen Medical Technologies Pvt Ltd

AiTuring Technologies Private Limited (Till 18-09-2025)

Applied Research International Private Limited

ARI Labs Private Limited

Vector Technics Private Limited

TISA Aerospace Private Limited, India

Anawave Systems and Solutions Private Limited, India

Overseas subsidiary

Zen Technologies Inc ,USA

Zen Defence Technologies L.L.C, UAE

Overseas step-down subsidiaries

Applied Research International USA Inc.

Applied Research International (UK) Ltd
(ceased w.e.f. 18-07-2025)

ARI (Applied Research International) Pte. Ltd.

Joint - Ventures

KIC Solutions Co., Ltd

Associates

Bhairav Robotics Private Limited

Aituring Technologies Private Limited (w.e.f.18-09-2025)

(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.

(v) Measurement of fair values

Accounting polices 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 MATERIAL 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 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 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 assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold Land	30 to 33 years
Office Buildings and Guest House	2 to 10 year

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (G) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets.

The Group's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

Lease Liability

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

In the Balance Sheet, the ROU and lease liabilities are presented separately. In the Statement of Profit and Loss, interest expense on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the 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 vehicles, and office buildings (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 assets 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 or another systematic basis, if required.

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 [H] – 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 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	5-10 years
Motor vehicles	10 years	10 years
Electrically operated vehicles	08 years	08 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 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.

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 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. 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.

G. 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 countriesin 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 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 madeat 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 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.

H. 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 indicators for 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; and
- 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 transferring 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 G.

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 C – Financial Instruments).

I. Recognition of Other income

i) Interest income

Interest income is recognized on a time proportion basis considering the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

ii) Export Incentives

The Group receives export incentives in the form of MEIS (Merchandise Exports from India Scheme) scripts 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.

J. 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.

K. 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 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.

L. 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 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 statement of profit and loss.

The group recognizes actuarial gains/(losses) on defined benefit plans in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur.

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 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 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 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 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).

M. Income Taxes

Taxes comprises Current Tax, Deferred tax. 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

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess/

(shortfall) of the Company's income tax obligation for the period are recognised in the Balance Sheet under assets as income tax assets/under current liabilities as current tax liabilities.

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.

N. 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 financial statements.

O. Government Grants

Grants & Subsidies received from the Governments are recognised only when there is reasonable assurance that:

a. The Group will comply with the conditions attached to the grant.

b. 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.

P. 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.

Q. 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.

R. 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.

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 Group can demonstrate:

a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.

b) Its intention to complete and its ability and intention to use or sell the product.

c) How the asset will generate future economic benefits.

d) The availability of resources to complete the asset.

e) 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. 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).

V. 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.

W. Errors and Estimates

The Group revises it's 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, 2026, the amendments to the standards that are notified by the MCA, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group will adopt these amendments to the standards, when they become effective.

Standards notified but not yet effective

The new and amended standards that are notified by the MCA, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group will adopt these new and amended standards, when they become effective.

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 - Events after the Reporting Period.

Ind AS 10 has been amended to remove the previous treatment under which a lender's post reporting date waiver - granted before the financial statements were approved for issue — of a breach of a material covenant in a long-term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after 1st April, 2026, any breach of a covenant — whether material or immaterial — occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

Notes to Consolidated financial statements

for the year ended 31 March 2026

(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 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**
Additions through business combinations	-	-	152.14	128.03	414.26	-	-	57.20	154.71	42.00	948.34
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	-	-	-	(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**
Additions through business combinationssss	-	-	10.85	32.69	4.95	-	-	-	6.63	46.57	101.68
Additions during the year	-	328.94	646.38	1,596.05	208.30	4.73	-	1,428.27	151.74	278.43	4,649.94
Deletions	-	(11.17)	(1.63)	(3.94)	(85.75)	-	-	(17.62)	(102.13)	(26.90)	(249.13)
Deemed disposal of subsidiary	-	-	(10.26)	(1.03)	(2.02)	-	-	-	-	-	(13.31)
As at 31 March 2026	**648.95**	**7,852.49**	**2,227.66**	**2,891.41**	**1,449.10**	**1,020.82**	**10.74**	**3,437.99**	**999.21**	**819.54**	**21,357.91**
Accumulated Depreciation											
As at 01 April 2024	**-**	**1,443.99**	**735.37**	**247.63**	**614.28**	**216.16**	**0.07**	**583.22**	**434.50**	**277.16**	**4,552.37**
Additions through business combinations	-	-	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	-	-	-	(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**	**0.42**	**868.45**	**608.35**	**337.72**	**6,232.86**
Additions through business combinations	-	-	4.97	24.73	1.91	-	-	-	2.31	7.42	41.34
For the Year	-	203.01	417.53	132.24	149.33	181.24	0.44	366.32	99.44	61.94	1611.51
Deletions	-	(8.95)	(1.45)	(1.83)	(76.23)	-	-	(10.13)	(83.85)	(25.56)	(208.00)
Deemed disposal of subsidiary	-	-	(5.22)	(0.51)	(0.65)	-	-	-	-	-	(6.38)
As at 31 March 2026	**-**	**1,800.66**	**1,546.89**	**489.82**	**1,022.19**	**578.50**	**0.87**	**1,217.53**	**626.25**	**381.53**	**7,664.24**
Carrying Value											
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**
As at 31 March 2026	**648.95**	**6,051.83**	**680.78**	**2,401.59**	**426.91**	**442.32**	**9.88**	**2,220.46**	**372.96**	**438.01**	**13,693.69**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

4B. INTANGIBLE ASSETS

Particulars	Computer Software	Other Intangible Assets	Total
Cost			
As at 01 April 2024	**1,083.91**	**696.02**	**1,779.93**
Additions through business combinations	396.49	-	396.49
Additions during the year	267.96	-	267.96
Deletions	-	-	-
As at 31 March 2025	**1,748.36**	**696.02**	**2,444.38**
Additions through business combinations	-	-	-
Additions during the year	443.71	-	443.71
Deletions	0.56	-	0.56
As at 31 March 2026	**2,192.63**	**696.02**	**2,888.65**
Accumulated Amortization			
As at 01 April 2024	**1,059.89**	**341.14**	**1,401.04**
Additions through business combinations	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**
Additions through business combinations	-	-	-
For the Year	189.06	70.15	259.21
Deletions	-	-	-
As at 31 March 2026	**1,518.69**	**480.90**	**1,999.60**
Carrying Value			
As at 31 March 2025	**418.73**	**285.27**	**704.00**
As at 31 March 2026	**673.93**	**215.12**	**889.05**

4C. CAPITAL WORK-IN-PROGRESS

Particulars	31 March 2026	31 March 2025
Opening Balance	355.38	1,006.05
Add: Additions during the year	978.50	797.02
Less: Capitalisations during the year	-	(1,447.69)
Closing Balance	**1,333.88**	**355.38**

Ageing Schedule of Capital work-in-progress:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2026					
- Projects in progress	946.55	355.38	-	31.95	1,333.88
- Projects temporarily suspended	-	-	-	-	-
As at 31 March 2025					
- Projects in progress	355.38	-	-	-	355.38
- Projects temporarily suspended	-	-	-	-	-

The Capital Work in Progress (CWIP) as at 31 March 2026 includes Finance costs capitalised, to the Qualifying assets as per Ind AS 23 - Borrowing costs, amounting to ₹ 9.62 Lakhs (31 March 2025: Nil).

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

4D. LEASES

i) Right-of-use assets

The Group's lease asset's consists of leases of land and buildings and vehicle having various lease terms i.e (2 years-33 years). The Group has adopted IND AS 116 "Leases" to all lease contracts.

Particulars	Right-of-use assets	Total
Gross Block		
As at 01 April 2024	**750.11**	**750.11**
Additions through business combinations	1,643.10	1,643.10
Additions during the year	1,194.51	1,194.51
As at 31 March 2025	**3,587.72**	**3,587.72**
Additions during the year	143.28	143.28
Deletions	(991.86)	(991.86)
As at 31 March 2026	**2,739.14**	**2,739.14**
Depreciation		
As at 01 April 2024	**160.12**	**160.12**
Additions through business combinations	656.68	656.68
For the Year	319.01	319.01
As at 31 March 2025	**1,135.80**	**1,135.80**
Additions through business combinations	**-**	**-**
For the Year	572.48	572.48
Deletions	(601.96)	(601.96)
As at 31 March 2026	**1,106.32**	**1,106.32**
Net Block		
As at 31 March 2025	**2,451.92**	**2,451.92**
As at 31 March 2026	**1,632.84**	**1,632.84**

ii) Lease Liabilities

Particulars	31 March 2026	31 March 2025
Non-current	967.44	1,717.42
Current	546.07	637.77
Total	**1,513.51**	**2,355.19**

Particulars	31 March 2026	31 March 2025
Interest expense	266.14	81.87
Amortisation expense	572.48	319.01
Total	**838.62**	**400.88**

The Group does not face any 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 2026	31 March 2025
Opening balance	7,018.06	301.70
Add/(Less): Acquisition/(Disposal) of subsidiaries	620.30	6,716.36
Closing balance	**7,638.36**	**7,018.06**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

4F. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Project in Progress	Total
As at 01 April 2024	**82.29**	**82.29**
Additions during the year	288.00	288.00
Capitalisation	-	-
As at 31 March 2025	**370.29**	**370.29**
Additions during the year	-	-
Capitalisation	160.29	160.29
As at 31 March 2026	**210.00**	**210.00**

Ageing Schedule of Intangible assets under development

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2026					
- Projects in progress	-	210.00	-	-	210.00
- Projects temporarily suspended	-	-	-	-	-
As at 31 March 2025					
- Projects in progress	288.00	82.29	-	-	370.29
- Projects temporarily suspended	-	-	-	-	-

5. INVESTMENTS (NON CURRENT)

Particulars	31 March 2026	31 March 2025
5A. Investment Accounted using Equity Method:		
Investment in associates (unquoted) measured at cost	793.51	403.54
Add: Profit/(loss) accounted on equity method	(171.11)	(0.82)
	622.40	**402.72**
5B. Investment in Others:		
17,500 (31 March 2025 - 17,500) Equity shares and 2,139 (31 March 2025 - 2,139) Class Seed Preferred shares of Paladin AI INC., Canada*	224.22	224.22
Less: Provision for Impairment of Investments	(224.22)	(224.22)
Investment in others	0.06	-
	0.06	**-**

*Refer Note 33 for details on provision for impairment of investments.

6. OTHER FINANCIAL ASSETS

6A. Other financial assets (Non-current)

Particulars	31 March 2026	31 March 2025
Unsecured, Considered good		
Security Deposits	232.40	67.62
Deposits with government, public bodies and others	63.73	14.50
Bank Deposits with original maturity more than 12 months remaining maturity more than 12 months	31,812.96	1,527.75
Others	167.86	125.43
Advance for acquisition for shares	252.84	252.84
Less: Provision for Advances towards investment	(252.84)	(252.84)
	32,276.95	**1,735.30**

* Refer Note 33 for details on provision for advances towards investments.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

6B. Other Financial assets (Current)

Particulars	31 March 2026	31 March 2025
Unsecured, Considered good		
Bank Deposits with original maturity more than 12 months remaining maturity less than 12 months	63,355.85	76,524.43
Accrued Income but not due	1,024.20	1,110.64
Interest accrued but not due on deposits	1,816.13	1,550.50
Other Deposits	3,563.59	1,533.60
	69,759.77	**80,719.17**

Note: Refer Note 42 for Classification of financial instruments.

6C. Loans

Particulars	31 March 2026	31 March 2025
Advances to Employees	5.86	8.97
	5.86	**8.97**

7. DEFERRED TAX

7A. DEFERRED TAX ASSETS

Particulars	31 March 2026	31 March 2025
Deferred Tax Assets (Net)	742.40	444.53
	742.40	**444.53**

7B. DEFERRED TAX LIABILITIES

Particulars	31 March 2026	31 March 2025
Deferred Tax Liabilities (Net)	477.45	-
	477.45	**-**

Deferred tax liabilities/(assets)-net

Particulars	31 March 2026	31 March 2025
Gratuity and Bonus	(381.32)	(292.41)
Borrowings	-	(20.83)
Brought forward losses	(269.77)	(92.74)
Leases	40.68	34.06
Security Deposit	(5.91)	(69.21)
Trade Receivables	(47.59)	(66.80)
Provision for expenses	(239.37)	(362.00)
Accelerated depreciation for tax purposes	512.89	613.38
Other comprehensive income	125.44	(188.00)
	(264.95)	**(444.53)**

Note: Refer Note 35 for further details.

8. OTHER NON CURRENT ASSETS

Particulars	31 March 2026	31 March 2025
Prepaid expenses[#]	43.40	104.17
Capital Advances	263.14	6.13
Others[##]	1,253.30	248.52
	1,559.84	**358.82**

[#]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 ₹ 124.00 Lakhs (31 March 2025: ₹ 124.00 Lakhs)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

9. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	31 March 2026	31 March 2025
Raw material	9,962.56	4,835.99
Work in progress	7,897.29	5,721.01
Finished Goods	941.23	649.74
Stock-in-Trade	-	720.02
Stock in transit	17.53	-
	18,818.61	**11,926.75**

For details of hypothecation of inventory, refer Note 21.

10. TRADE RECEIVABLES

Particulars	31 March 2026	31 March 2025
Unsecured, considered good		
Trade Receivables	22,583.49	41,282.35
Less: Provision for expected credit losses	(182.85)	(239.68)
	22,400.64	**41,042.67**

Note:

- Receivables do not include any amount due and recoverable from directors or other officers Group.
- Trade Receivables are Non Interest Bearing.

Ageing Schedule of Trade receivables:

As at 31 March 2026

Particulars		Not Due	Outstanding for the following periods from the due date of payment					
			<6 months	<1 year	1-2 years	2-3 years	> 3 years	Total
(i)	Undisputed Trade receivables - considered good	6,725.28	11,099.82	3,157.15	1,421.41	33.83	145.99	22,583.49
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
								22,583.49
Less: Provision for expected credit losses								(182.85)
Add: Unbilled Revenue								-
Total								**22,400.64**

As at 31 March 2025

Particulars		Not Due	Outstanding for the following periods from the due date of payment					
			<6 months	<1 year	1-2 years	2-3 years	> 3 years	Total
(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	-	-	-	-	-	-	-

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

As at 31 March 2025 (Contd.)

Particulars	Not Due	Outstanding for the following periods from the due date of payment					
		<6 months	<1 year	1-2 years	2-3 years	> 3 years	Total
(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**

11. CASH AND CASH EQUIVALENTS

Particulars	31 March 2026	31 March 2025
Cash on hand	7.16	9.79
Balances with banks:		
- In current accounts	6,726.10	5,906.36
- In Overdraft accounts	5.19	-
- In Fixed Deposits with original maturity Less than 3 months	1,155.27	1,499.25
	7,893.72	**7,415.40**

Note:

- There is no restriction with regard to cash and cash equivalents as at the end of 31 March 2026 and 31 March 2025.
- Refer Note 42 for Classification of financial instruments.

12. OTHER BANK BALANCES

Particulars	31 March 2026	31 March 2025
Balances with banks for unclaimed dividend	10.73	8.10
Fixed Deposits with original maturity More than 3 months & Less than 12 months	7,538.84	20,337.14
Deposits against Bank Guarantee's*	19,951.26	12,095.20
Other Fixed Deposits	12.56	208.37
Unspent CSR bank balance	66.06	-
	27,579.45	**32,648.81**

Note:

- Refer Note 42 for Classification of financial instruments.

*These deposits are held as margin money against bank guarantee.

13. LOANS

Particulars	31 March 2026	31 March 2025
Unsecured-Considered Good		
Advances to Employees	6.92	8.12
Loans to Related Parties	-	150.00
Other than related parties	-	84.90
	6.92	**243.03**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

14. CURRENT TAX ASSETS (NET)

Particulars	31 March 2026	31 March 2025
Taxes Paid	686.12	1,292.58
	686.12	**1,292.58**

15. OTHER CURRENT ASSETS

Particulars	31 March 2026	31 March 2025
Unsecured, considered good		
Prepaid Expenses	587.40	431.73
Office Rent Advance	5.25	16.06
Balance with Statutory Authorities	775.11	2,471.23
Capital Advance	615.10	-
Advance to material suppliers(Creditors)	6,156.46	2,124.56
Less: Provision for expected credit losses	(20.97)	-
Advance to Other Creditors	124.67	5.32
Advances to Employees	10.58	43.30
Other Current Assets	18.14	28.78
	8,271.75	**5,120.98**

16. EQUITY SHARE CAPITAL

(i) Authorised share capital

Particulars	Equity Shares	
	No. of shares	Amount
As at 01 April 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**
Increase/(Decrease) during the year	-	-
As at 31 March 2026	**20,00,00,000**	**2,000.00**

(ii) Issued share capital

Particulars	Equity Shares	
	No. of shares	Amount
Equity share of ₹1 each issued, subscribed and fully paid up		
As at 01 April 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**
Increase/(Decrease) during the year	-	-
As at 31 March 2026	**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 Company has allotted 62,46,096 Equity Shares of face value of ₹1 per Equity Share at price of ₹1,601 per Equity Share, aggregating to ₹1,00,000 lakhs through Qualified Institutional Placement (QIP).

(iii) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹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.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

(iv) The details of shares held by shareholder holding more than 5% of shares in the Group

Particulars	31 March 2026		31 March 2025	
	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%	1,95,46,103	21.65%
Kishore Dutt Atluri	1,47,40,970	16.33%	1,47,40,970	16.33%
Motilal Oswal Long Term Equity Fund	53,84,748	5.96%	-	-

(v) Shares held by promoters

As at 31 March 2026

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	1,95,46,103	-	1,95,46,103	21.65%	0.00%
Kishore Dutt Atluri	Equity share of Re.1 each	1,47,40,970	-	1,47,40,970	16.33%	0.00%
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	2,000	10,02,000	1.11%	0.20%
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)	-	0.00%	-100.00%
Beena Atluri	Equity share of Re.1 each	4,34,364	16,346	4,50,710	0.50%	3.76%
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%	0.00%

*__Note:__ Mr. Ravi Kumar Midathala ceased to be a promoter of the Group during the year, pursuant to which his shareholding of 5,00,000 shares stands excluded from the promoter and promoter group holding as at 31 March 2026.

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%

(vi) 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.

vii) No class of shares have been issued as bonus shares or for consideration other than cash by the Group during the period of five years immediately preceding the current year end.

viii) No class of shares have been bought back by the Group during the period of five years immediately preceding the current year end.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

17. OTHER EQUITY

Particulars	Note no	31 March 2026	31 March 2025
Securities premium	17.1	1,09,045.14	1,09,045.14
Capital redemption reserve	17.2	117.24	117.24
General reserve	17.3	3,819.18	3,595.95
Retained earnings	17.4	74,910.02	57,362.93
Other Comprehensive Income	17.5	607.12	(218.05)
Share Based Payments Reserve	17.6	376.35	230.73
Treasury Shares	17.7	(871.79)	(967.65)
		1,88,003.26	**1,69,166.29**
Non-Controlling Interests (NCI)	17.8	6,002.24	3,521.82
		1,94,005.50	**1,72,688.11**

17.1 Securities premium

Particulars	31 March 2026	31 March 2025
Opening balance	1,09,045.14	11,088.60
Add: Additions during the year	-	97,956.54
	1,09,045.14	**1,09,045.14**

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 March 2026	31 March 2025
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 FY 13-14 is 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 March 2026	31 March 2025
Opening balance	3,595.95	3,525.01
Add: Additions during the year	223.23	70.94
	3,819.18	**3,595.95**

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		31 March 2026	31 March 2025
Opening balance		57,362.92	30,236.79
Add: Net profit for the year		19,345.19	28,024.41
	(A)	**76,708.11**	**58,261.19**
Less: Dividend distributed to equity shareholders	(B)	(1,798.09)	(898.27)
	(A-B)	**74,910.02**	**57,362.92**

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions to shareholders.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

17.5 Other Comprehensive Income

Particulars	31 March 2026	31 March 2025
Actuarial Gain or Loss:		
Opening balance	(79.64)	5.94
Add: Additions during the year	108.92	(85.58)
Closing Balance	**29.28**	**(79.64)**
Foreign Currency Translation Reserve:		
Opening balance	(138.41)	28.20
Add: Additions during the year	716.25	(166.61)
Closing Balance	**577.84**	**(138.41)**
	607.12	**(218.05)**

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

17.6 Share based payment reserve

Particulars	31 March 2026	31 March 2025
Opening balance	230.73	285.94
Add: Employee Share Based Payment Expense	379.21	191.61
Add: Excess tax benefit from SBP (Credited to Equity)	**-**	**-**
	609.94	**477.55**
Less: Exercise of Share Options	233.59	246.82
	376.35	**230.73**

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 Scheme.

17.7 Treasury Shares

Particulars	31 March 2026	31 March 2025
Opening balance	(967.65)	(1,265.34)
Add: Purchase of treasury shares	-	
	(967.65)	**(1,265.34)**
Less: Issue of Treasury Shares	(95.86)	(297.69)
	(871.79)	**(967.65)**

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 45.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

17.8 Non-Controlling interests (NCI)

Particulars	31 March 2026	31 March 2025
Opening balance	3,521.82	1,766.36
Add: Additions to Business Combinations (Refer Note 52)	42.58	(149.15)
Add: Net profit/(loss) attributable to NCI	2,437.81	1,904.62
	6,002.24	**3,521.82**

It represents the difference between the consideration paid and the carrying value of non-controlling interest acquired in subsidiaries.

18. BORROWINGS (NON CURRENT)

Particulars	31 March 2026	31 March 2025
Secured (at amortized cost)		
Term loans from Bank		
(a) Term Loans from Banks	155.45	-
Term loans from NBFC		
(a) Indian Rupee term loan	-	5,220.36
Less:		
Current maturities of long-term debt (Refer note 21)	14.59	1,200.00
	140.86	**4,020.36**

19.1 DEFERRED GOVT.GRANT

Particulars	31 March 2026	31 March 2025
Deferred Govt.Grant (IDEX SPARK Grant)	15.00	15.00
	15.00	**15.00**

19.2 OTHER NON CURRENT LIABILITIES

Particulars	31 March 2026	31 March 2025
Grant Received - IDE	675.26	45.00
	675.26	**45.00**

19.3 OTHER FINANCIAL LIABILITIES

Particulars	31 March 2026	31 March 2025
CSR Payable	336.34	-
Unclaimed dividends	10.73	8.10
Provision for expenses	6.01	41.27
Salaries and benefits	1,178.61	816.27
Bonus and incentives	-	1,210.63
Other payables	215.85	3,594.16
	1,747.54	**5,670.44**

As at 31 March 2025, other payables includes ₹ 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 52).

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

20. PROVISIONS

Particulars	31 March 2026	31 March 2025
Non-Current		
- Provision for gratuity	1,215.05	1,073.33
- Compensated Absences	76.33	43.18
	1,291.38	**1,116.51**
Current		
- Provision for Income Tax	-	1,433.07
- Provision for gratuity	236.58	217.35
- Provision for Compensated Absences	10.34	4.04
- Provision for expenses	347.32	4,566.23
- Provision for QPA & Bonus	505.96	306.28
- Provision for warranty	568.76	744.46
- Other Provisions	243.50	24.60
	1,912.46	**7,296.03**

Note: Refer Note 37 for further details of Gratuity.

21. BORROWINGS (CURRENT)

Particulars	31 March 2026	31 March 2025
Secured		
(a) Current maturities of Term Loan	14.59	1,200.00
Unsecured		
(a) Credit card	34.45	5.65
(b) Loans from Related Parties	148.33	189.16
	197.37	**1,394.81**

Notes:

1. The Group has not used borrowings taken from banks and financial institutions for the purpose other than for which it was taken
2. Quarterly returns or statements of current assets filed with banks are in agreement with the books of account of the Group

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 2026	31 March 2025
Trade payables		
- Dues to Micro and Small Enterprises	1,738.45	1,089.12
- Dues to creditors other than micro and small enterprises	3,194.41	1,457.71
	4,932.86	**2,546.83**

Note: Trade payable are non interest bearing.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Ageing Schedule of Trade Payables:

As at 31 March 2026

Particulars	Outstanding for the following periods from the due date of payment					
	Not Due	<1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	1,626.69	110.43	-	-	-	1,737.13
(ii) Others	1,335.53	1,833.10	27.10	-	-	3,195.73
	2,962.22	**1,943.53**	**27.10**	**-**	**-**	**4,932.86**

As at 31 March 2025

Particulars	Outstanding for the following periods from the due date of payment					
	Not Due	<1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	1,089.12	-	-	-	-	1,089.12
(ii) Others	343.71	1,087.21	10.05	16.48	0.28	1,457.71
	1,432.83	**1,087.21**	**10.05**	**16.48**	**0.28**	**2,546.83**

23. OTHER CURRENT LIABILITIES

Particulars	31 March 2026	31 March 2025
Income billed but not due	742.11	999.00
Statutory dues	1,030.72	2,142.53
Advance from customers	6,039.35	3,348.52
Audit Fee Payable	2.75	0.25
Other payables	26.24	77.65
	7,841.16	**6,567.95**

24. CURRENT TAX LIABILITIES (NET)

Particulars	31 March 2026	31 March 2025
Provision for Income Tax (net of advance tax)	369.06	283.22
	369.06	**283.22**

25. REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
(a) Revenue from sale of products	61,111.08	93,221.02
(b) Revenue from rendering of services	7,657.92	4,143.14
	68,769.00	**97,364.16**

26. OTHER INCOME

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest income	7,296.82	4,888.27
Foreign exchange fluctuation gain (net)	930.24	242.19
Profit on sale of Property, Plant and Equipment	3.15	-
Provisions no longer required, written back	8.00	-
Other income	303.96	708.10
	8,542.16	**5,838.55**

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.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

27. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening stock of raw materials	4,835.99	7,825.23
Raw materials from acquisition of subsidiaries	18.75	7.73
Add: Purchases	23,638.28	31,521.88
	28,493.01	**39,354.84**
Less: Closing stock of raw materials	(9,962.56)	(4,835.99)
	18,530.46	**34,518.85**

28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening work in progress	5,721.01	8,992.97
Opening finished goods and stock in trade	1,369.76	89.67
Opening stock-in-transit	-	-
Work-in-progress from acquisition of subsidiaries	-	388.95
Inventory derecognised on deemed disposal of subsidiary	(217.49)	-
	6,873.28	**9,471.59**
Closing work in progress	7,897.29	5,721.01
Closing finished goods and stock in trade	941.23	1,369.76
Closing stock-in-transit	17.53	-
	8,856.05	**7,090.77**
Net (increase)/decrease in inventory	**(1,982.77)**	**2,380.83**

29. MANUFACTURING EXPENSES

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Power and fuel	110.75	52.26
Material Handling Charges	42.89	45.61
Travel expenses - Production	28.81	0.96
Factory Maintenance	603.07	780.55
Training Charges	5.68	3.70
Job work charges	305.46	3.22
Factory Wages	2,978.84	483.27
Technical and professional fees	12.05	87.06
Product Testing Charges	179.57	-
Software Expenses	120.60	62.41
Freight Charges	52.26	7.49
Other Consumables	91.75	46.65
	4,531.73	**1,573.16**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

30. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Salaries, wages and bonus	11,317.56	8,104.79
Contribution to provident and other funds (Note 37)	319.86	162.49
Salary arrears	5.42	10.59
Director sitting fee (Note 39)	19.50	12.50
Gratuity expense (Note 37)	313.01	124.45
Compensated Absences	74.03	-
Share based Payment Expenses (Note 45)	379.21	191.71
Staff welfare expenses	265.80	269.05
	12,694.38	**8,875.58**

31. FINANCE COSTS

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Bank Charges	20.43	25.43
BG Commission	130.48	157.10
Processing Charges	30.23	39.34
Interest on borrowings		
- interest on cash credit/OD account	0.02	3.88
- interest on Lease Liability	266.14	81.87
- interest on Term Loan	90.06	587.24
- interest on MSME	0.11	1.01
- interest Others	489.60	141.70
	1,027.07	**1,037.56**

32. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation and Amortization Expense	1,796.61	1,142.40
Amortisation of Intangible Assets	69.60	79.96
Depreciation on Right-of-use assets	579.86	319.01
Less: Transfer to Capital work in progress	7.38	-
	2,438.69	**1,541.37**

33. OTHER EXPENSES

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Business Promotion	282.21	233.13
Exhibition expenses	478.38	403.93
Commission on Sales	2.45	98.17
System Installation & Maintenance	92.29	311.53
Freight	525.60	659.84
Transport Charges	84.56	-

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

33. OTHER EXPENSES (Contd.)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Domestic Travel	1,150.57	697.73
Foreign Travel	232.81	407.81
Advertisement	198.16	102.07
Conveyance	310.40	281.37
Consumables	88.11	48.99
Repairs and maintenance	113.39	16.48
CSR expenditure	478.83	159.30
Electricity Charges	126.05	130.24
Insurance	105.45	62.85
Membership & Subscription	6.38	7.77
Office Maintenance	488.46	692.57
Postage & Telephone	92.06	40.55
Printing & Stationery	70.99	35.24
Professional Charges	2,681.23	3,927.10
Rates & Taxes	116.10	86.75
Rent	328.31	391.06
Security expenses	101.26	81.25
Vehicle Maintenance	38.49	41.70
Computer Maintenance	1.75	0.41
Rent on Machinery-R&D	1.20	1.12
Rent on Lease Vehicle	12.94	4.16
License and software	20.98	21.62
Spares & Stores	556.35	1,527.48
Payment to Auditor	56.18	63.37
Provision for Impairment of Advances*	-	252.84
Provision for Expected Credit Loss	13.15	165.22
Provision for Warranties	360.58	538.32
Provision for Impairment of EMD	10.52	-
Gratuity-Contract Workers	75.87	-
Telephone and Internet Expenses	341.28	75.44
Testing Charges	0.77	92.21
Interest & penalty on statutory dues	2.08	900.00
Bad debts written off	10.69	-
General & Administration expenses	157.65	-
Other expenses	456.56	103.78
	10,271.09	**12,663.36**

*__Provision for impairment of advances:__ During the year ended 31 March 2025, the group has recognised an impairment of ₹ 252.84 Lakhs on advance given to Paladin AI INC, considering the recoverability doubtful.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

34. COMPONENTS OF OTHER COMPREHENSIVE INCOME

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Items that will not be reclassified subsequently to statement of profit or (loss)		
Re-measurement gains/(losses) on defined benefit plans	132.45	(117.48)
Deferred tax on remeasured gain/(loss)	(33.24)	27.47
	99.21	**(90.01)**
Items that will be reclassified subsequently to statement of profit or (loss)		
Re-measurement gains/(losses) on foreign currency translation reserve	952.71	(223.93)
Deferred tax on remeasured gain/(loss)	(236.27)	57.33
	716.44	**(166.61)**

35. INCOME TAX

The major components of income tax expenses for the year ended 31 March 2026 and 31 March 2025 are as follows:

Profit or loss section

Particulars	31 March 2026	31 March 2025
Current tax expense	7,537.50	11,170.59
Deferred tax	(66.36)	(519.35)
Earlier years tax	400.46	22.69
Total income tax expense recognised in Statement of Profit and Loss	**7,871.60**	**10,673.93**

OCI section

Particulars	31 March 2026	31 March 2025
Tax Effect on remeasurement of defined benefit plans	(269.51)	84.80
Income tax charged to OCI	**(269.51)**	**84.80**

a) Reconciliation of tax expense to the accounting profit is as follows:

Particulars	31 March 2026	31 March 2025
Profit before tax	29,664.12	40,607.39
At India's statutory income tax rate of (C.Y-25.168%) , (P.Y -25.168%)	7,465.86	10,220.07
Adjustments in respect of current income tax of previous years	400.46	22.69
Adjustments		
Items which are not tax deductible for computing taxable income	115.35	95.89
Effect of change in income tax rate for deferred tax recognised	-	(25.05)
Effect of items which are not taxable for computing taxable income	-	(48.45)
Others	(110.07)	408.78
Income tax expense recognised in the Statement of Profit and Loss	**7,871.60**	**10,673.93**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

b) Deferred tax liability/(Asset)

Particulars	31 March 2026	31 March 2025
Deferred tax asset (net)	(264.95)	(444.53)
Deferred tax asset (net)	**(264.95)**	**(444.53)**

31 March 2026

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Net movement on acquisition/ disposal of subsidiaries	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Timing difference on					
- Property, plant and equipment	(147.44)	85.98	-	23.57	(37.88)
- Disallowances under Income Tax Act, 1961,allowed on payment basis	675.23	(54.54)	-	-	620.69
- Remeasurement of defined benefit plans	152.63	(52.21)	(34.01)	-	66.47
- Exchange difference on translation of foreign operation	31.39	-	(235.50)	-	(204.11)
- Others	(267.28)	87.12	-	-	180.16
Deferred tax (liabilities)/assets (Net)	**444.53**	**66.36**	**(269.51)**	**23.57**	**264.95**

31 March 2025

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Net movement on acquisition/ disposal of subsidiaries	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Timing difference on					
- Property, plant and equipment	(721.21)	111.02	-	462.75	(147.44)
- 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)	(191.58)	(64.71)	-	(267.28)
Deferred tax (liabilities)/assets (Net)	**(622.37)**	**519.35**	**84.80**	**462.75**	**444.53**

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 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 2026	31 March 2025
Earnings per equity share		
Profit attributable to equity shareholders (₹in lakhs)	19,345.19	28,024.41
Adjusted earnings	**19,345.19**	**28,024.41**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

36. EARNINGS PER SHARE (Contd.)

Particulars	31 March 2026	31 March 2025
Weighted average number of equity shares outstanding (Nos.) of Face Value of ₹1/-each	9,02,90,356	8,40,44,260
Add: New allotment of ordinary shares (Nos. 62,46,096) of face value of ₹ 1/- each	-	37,81,883
Less: Weighted average number of equity shares held by ESOP trust (Nos.) of Face value of ₹ 1/-each	(3,80,572)	(4,32,081)
Weighted average number of equity shares for dilutive EPS (Nos.)	**8,99,09,784**	**8,73,94,062**
Face value per equity share (₹)	1.00	1.00
Earning per share - Basic (₹)	**21.52**	**32.07**
Earning per share - Diluted (₹)	**21.52**	**32.07**

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

(a) Defined contribution plan

The following amount recognised as an expense in consolidated Statement of profit and loss on account towards contribution to provident fund and other funds. There are no other obligations other than these contribution payable.

Particulars	31 March 2026	31 March 2025
Contribution to provident fund recognised as expense (Note 30)	319.86	162.49

(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.

Effective 21 November 2025, The Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour codes collectively referred to as the 'New Labour Codes'. Under Ind AS 19, changes to employee benefit plans arising from legislative amendments constitute a plan amendment, requiring recognition of past service cost immediately in the statement of profit and loss.

The group has assessed the impact of the labour codes on its employee benefit obligations based on the provisions notified and the current employee compensation structure. Based on such assessment, the group has concluded that the implementation of the labour codes does not result in any material impact on the employee benefit obligations or the financial statements for the current reporting period. The group will continue to evaluate the impact of any future amendments, notifications or rules issued under the labour codes and account for the same, if any, in the period in which such changes become effective.

The following table's summarises 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 2026	31 March 2025
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	231.97	103.65
Past service cost	-	-
Interest cost on defined benefit obligation	89.65	32.25
Interest income on plan assets	(11.94)	(11.45)
Other adjustments	3.33	-
Net benefit expense	**313.01**	**124.45**
Re measurement during the period/year due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(173.70)	90.77

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

The following table's summarises 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: (Contd.)

Particulars	31 March 2026	31 March 2025
Actuarial loss/(gain) arising from change in demographic assumptions	10.46	(4.15)
Actuarial loss/(gain) arising on account of experience changes	42.99	20.69
Return on plan assets excluding interest income	(12.20)	10.18
Amount recognised in OCI outside profit and loss statement	**(132.45)**	**117.48**
Balance Sheet		
Reconciliation of net liability/asset		
Closing Present Value of Defined Benefit Obligation	1,672.61	1,473.91
Closing Fair Value of Plan Assets	(220.98)	(183.24)
Closing net defined benefit liability	**1,451.63**	**1,290.68**
Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	1,290.68	384.75
Defined benefit obligation of subsidiaries acquired	-	762.53
Current service cost	231.97	103.65
Past service cost	-	-
Net Interest cost	77.71	20.80
Adjustment to opening balance	(1.12)	-
Re measurement during the period due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(139.12)	90.77
Actuarial loss/(gain) arising from change in demographic assumptions	10.46	(4.15)
Actuarial loss/(gain) arising on account of experience changes	42.99	20.69
Return on plan assets excluding interest income	(12.20)	10.18
Benefits paid	(61.02)	(98.53)
Other Adjustments	11.29	-
Closing defined benefit obligation	**1,451.63**	**1,290.68**
Change in fair value of plan assets during the year		
Opening Fair Value of Plan Assets	**179.94**	**151.40**
Adjustment to opening balance	(1.12)	-
Contributions paid by the employer	40.00	33.23
Return plan assets (Excluding interest income)	11.47	(10.18)
Benefits paid	(20.87)	(5.97)
Interest income on Plan Assets	11.57	11.45
Closing Fair Value of Plan Assets	**220.98**	**179.94**

The principal assumptions used in determining gratuity benefit obligation for the Group's plans are shown below:

Particulars	31 March 2026	31 March 2025
Discount rate (p.a.)	6.59%	6.35%
Salary escalation rate (p.a.)	10.00%	10.00%
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: 14.89%	PS:0 to 42: 17.24%
Normal retirement age (in years)	60.00	60.00
Adjusted average future service	5.14	4.42

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

A quantitative analysis for significant assumptions is as shown below:

Particulars	31 March 2026	31 March 2025
Assumptions - Discount rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	952.03	610.17
Impact of Decrease in 1% on defined benefit obligation	1,080.80	667.36
Assumptions - Salary Escalation rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	1,062.75	657.06
Impact of Decrease in 1% on defined benefit obligation	965.00	618.08

Notes:

1. Liabilities are very sensitive to discount rate, salary inflation and withdrawal rate.
2. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored

38. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

I) Claims against the Group not acknowledged as debts

i) On account of Direct Tax matters - ₹ 1,012.92 lakhs (31 March 2025: ₹ 1012.82 Lakhs)

ii) On account of Indirect Tax matters - Central Excise Duty - ₹823.42 lakhs (31 March 2025: ₹823.42 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

At 31 March 2026, the Group has capital commitments of ₹663.38 lakhs relating to construction of new factory building and others. (31 March 2025: ₹591.98 lakhs relating to construction of new factory building).

39. 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) 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 (Till 28-06-2025)
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. Durga Prasad Kode	Independent Director (w.e.f 28-03-2025)
Mr. Afzal Harunbhai Malkani	Chief Financial Officer (Till 30-11-2025)
Mr. Hari Haran Chalat	Chief Financial Officer (w.e.f 31-01-2026)
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)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

A) Nature of relationship and names of related parties: (Contd.)

Name of the party	Nature of relationship
(b) Close Member of Key Management Personnel	
Mr. Arjun Dutt Atluri	Vice President, Son of Mr. Kishore Dutt Atluri, Director-Vector Technics Private Limited
Mrs. Rama Devi Atluri	Spouse of Mr. Kishore Dutt Atluri
Ms. Anisha Atluri	Head Recruitment, Daughter of Mr. Kishore Dutt Atluri
Ms. Abhilasha Atluri	Head of Investor Relations - Daughter of Mr.Ashok Atluri, Director-Vector Technics Private Limited
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, Director - Zen Technologies USA, INC
(c) 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
Aituring Technologies Private Limited, India	Associate Company (w.e.f. 19-09-2025)

B) Following are the transactions with related parties during the year:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
i) Remuneration to KMP		
Mr. Ashok Atluri	213.16	235.99
Mr. Kishore Dutt Atluri	212.06	215.98
Mr. M Ravi Kumar	18.15	74.07
Ms. Shilpa Choudari	60.00	59.85
Mr. Afzal Harunbhai Malkani	90.00	102.50
Mr. Raghavendra Prasad Movva	-	11.37
Mr. Sourav Dhar	19.54	5.91
Mr. Hari Haran Chalat	17.43	-
ii) Commission to KMP		
Mr. Ashok Atluri	590.03	1,055.97
Mr. Kishore Dutt Atluri	423.77	930.65
iii) Remuneration to Close Member of Key Management Personnel		
Mr. Arjun Dutt Atluri	80.45	26.40
Ms. Abhilasha Atluri	27.00	11.51
Ms. Anisha Atluri	28.05	18.00
iv) Sitting Fee to Independent Directors		
Ms. Sirisha Chintapalli	5.10	2.50
Mr. Sanjay V Jesrani	8.25	5.00
Dr. Ravindra Kumar Tyagi	-	5.00
Mr. Durga Prasad Kode	6.75	-
v) Rent		
Mrs. Ramadevi Atluri	7.76	7.39
vi) CSR Expenditure		
Veer Sammaan Foundation	146.39	76.85

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

C) Balances with the related parties are summarised below:

Particulars	As at 31 March 2026	As at 31 March 2025
i) Related party receivables grouped under		
a) Other current assets		
Mr. Arjun Dutt Atluri	-	2.29
Aituring Technologies Private Limited (Advance to material suppliers(Creditors))	1518.12	-
Bhairav Robotics Private Limited (Advance to material suppliers(Creditors))	197.1	-
b) Other Current Liabilities		
Mr. Ashok Atluri	572.21	1,083.27
Mr. Kishore Dutt Atluri	426.71	917.15
Ms. Shilpa Choudari	8.19	4.03
Mr. Arjun Dutt Atluri	20.37	-

Key managerial personnel of the Group 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, 2026 AND MARCH 31, 2025 IS AS UNDER

Particulars		31 March 2026	31 March 2025
a)	Principal amount outstanding (whether due or not) to micro and small enterprises.	1,738.45	1,089.12
b)	Interest due thereon.	0.11	1.01
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.	1.31	1.01
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.	-	-

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

41. DISCLOSURES UNDER IND AS 108: OPERATING SEGMENTS AND IND AS 115: REVENUE FROM CONTRACTS WITH CUSTOMERS

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

Non-current operating assets:	For the year ended 31 March 2026	For the year ended 31 March 2025
India	27,577.48	22,286.54
Outside India	2.59	17.62
Total non-current operating assets	**27,580.07**	**22,304.16**

Non-current assets for this purpose excludes financial assets and deferred tax assets.

A. Satisfaction of performance obligation

i) 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.

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.

ii) Group's Contract normally do not contain significant financial component and any advance payment received and/or amount retained by customer is with intention of protecting either parties to the contract.

iii) Variable consideration primarily consist of liquidated damages. The amount of revenue recognised in respect of the same is determined based on the methodology specified in the contract . The amount is recognised as revenue based on contractual terms.

iv) The Group's turnover mainly includes supply of training & counter drone solutions and other operational equipment including Annual Maintenance Contracts (AMC)

Group's activities in marine technology sector includes conducting formal training courses for Upgradation of skills for marine personnel.

v) Warranties provided are primarily in the nature of performance warranties. If the terms of contract require the Group to provide the customer with a service in addition to the assurance that the product complies with agreed-upon specification the Group accounts for the promised warranty as a performance obligation.

vi) In case of AMC contracts, output method is used to recognise revenue where passage of time is the criteria for satisfaction of performance obligation.

B. Disaggregated revenue information

Below is the disaggregation of the Group's revenue from contracts with customers

Geographical Information	For the year ended 31 March 2026	For the year ended 31 March 2025
Domestic	60,902.62	61,012.43
Overseas	7,866.38	36,351.73
Total consolidated revenue as per statement of profit or loss	**68,769.00**	**97,364.16**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

The revenue information above is based on the locations of the customers.

Timing of revenue recognition	For the year ended 31 March 2026	For the year ended 31 March 2025
Goods transferred at a point of time	61,111.08	93,221.02
Services transferred at a point of time/over time	7,657.92	4,143.14
Total revenue as per statement of profit or loss	**68,769.00**	**97,364.16**

Information about major customers:

There are three customers individually contributing more than 10% of Group's revenue and these customers contribute 56.94% of the revenue for the year ended on 31 March 2026. For the year ended 31 March 2025 there is one customer contributing 60.96% of the revenue for the year.

C. Details of contract balances

Particulars		31 Mar 2026	31 Mar 2025
i)	**Contract Assets**		
	Accrued Income but not due (Refer Note 6B)	1,024.20	1,110.64
ii)	**Contract Liabilities**		
	Income billed but not due (Refer Note 23)	742.11	999.00
	Advance from customers (Refer Note 23)	6,039.35	3,348.52
iii)	**Trade Receivables**		
	Trade Receivables - Net of Provision for ECL (Refer Note 10)	22,400.64	41,042.67

i) Advance received from customer and milestone bills raised are classified as contract liability and Progressively adjusted on completion of performance obligation. Balance amount receivable after adjusting advance is classified as Trade Receivable.

ii) Compensation accrued to the Group upon satisfaction of the performance obligation but is not due as payment milestones are not achieved is recognised as "Contract Asset". Such balances are transferred to Trade receivable, when payment milestones are achieved.

D. Value of remaining Performance Obligations

As at 31 March 2026, unrecognised revenue from contracts with customer which are partially satisfied or unsatisfied amounted to ₹ 1,33,604.31 Lakhs (31 March 2025: ₹ 69,194.10 Lakhs)

E. Payment Terms

Payment Terms from the customer comprises of advances and stage payments which differs from contract to contract.

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 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.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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 2026		31 Mar 2025		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial assets						
Investments	5B	0.06	-	-	-	-
Trade receivables	10	22,400.64	-	41,042.67	-	-
Cash and cash equivalents	11	7,893.72	-	7,415.40	-	-
Other bank balances	12	27,579.45	-	32,648.81	-	-
Loans	13	6.92	-	243.03	-	-
Other financial assets (Current)	6B	69,759.77	-	80,719.17	-	-
Other financial assets (Non current)	6A	32,276.95	-	1,735.30	-	-
Total financial assets		**1,59,917.51**	**-**	**1,63,804.38**	**-**	**-**
Financial liabilities						
Borrowings	18&21	338.23	-	5,415.16	-	-
Lease liabilities	4D	1,513.51	-	2,355.19	-	-
Trade payables	22	4,932.86	-	2,546.84	-	-
Other financial liabilities	19.3	1,747.54	-	5,670.44	-	-
Total financial liabilities		**8,532.14**	**-**	**15,987.63**	**-**	**-**

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 2026 and 31 March 2025.

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, loans, 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.

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 ₹ 3.38 Lakhs (Pre Tax).

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 ₹ 1,238.3 Lakhs (31 March 2025: ₹52.20 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).

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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.

Expenditure in foreign currency

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Raw Materials and Components	6,093.66	4,682.70
Foreign Travel	363.16	438.72
Membership	0.80	0.71
Professional Charges	2,155.04	12.10
Exhibition Expenses	71.81	129.72
Employee benefits expense	4.52	94.60
Others	340.57	389.31

Receivables/(Payables) in Foreign Currency

Particulars	31 March 2026	31 March 2025
Advance from customers	(533.60)	(460.27)
Trade payables	(2,233.25)	(638.61)
Trade Receivables	1,687.49	27,141.80
Advance to Material suppliers	676.19	58.44

Exchange gain of ₹ 930.24 lakhs and ₹ 242.19 lakhs has been recognised in the Consolidated statement of profit and loss for the years ended 31 March 2026 and 31 March 2025 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 Forces consequent to which the Group has a negligible credit risk associated with such receivables.

As the Group's debtors are predominantly the Indian Defense Forces where the counter party has 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.

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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 2026						
Borrowings	338.23	-	-	197.37	140.86	-
Lease liabilities	1,513.51	-	-	546.07	812.72	154.72
Trade payables	4,932.87	-	4,932.87	-	-	-
Other financial liabilities	1,747.54	10.73	1,400.47	336.34	-	-
As at 31 March 2025						
Borrowings	5,415.16	-	494.81	900.00	4,020.36	-
Lease liabilities	2,355.19	-	4.61	633.16	1,552.08	165.34
Trade payables	2,546.84	-	2,546.84	-	-	-
Other financial liabilities	5,670.44	8.10	4,451.27	1,211.07	-	-

At present, the group does expects to repay all liabilities at their contractual maturity. The operating activity is 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 2026	31 March 2025
Gearing ratio		
Borrowings (non-current and current, including current maturities of non-current borrowings, interest accrued and due, Interest accrued but not due)	338.23	5,415.16

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

44. CAPITAL MANAGEMENT (Contd.)

Particulars	31 March 2026	31 March 2025
Less: Cash and cash equivalents (including balances at bank other than cash and cash equivalents and margin money deposits with banks)	(1,30,641.98)	(1,18,116.39)
Net debt (A)	**(1,30,303.76)**	**(1,12,701.23)**
Equity (B)	1,94,908.40	1,73,591.01
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 2026 and 31 March 2025 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 2026 and 31 March 2025.

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 the 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 40,00,000 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 ₹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 ₹1,567.66 lakhs.

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 ₹100 per option; 10,500 options on 28 July 2024 at an exercise price of ₹500 per option; 47,000 options on 14 February 2025 at an exercise price of ₹500 per option; and 1,37,000 options on 28 March 2025 at an exercise price of ₹500 per option. During the year ended 31 March 2026 the Nomination and Remuneration Committee had granted 37,750 options on 25 October 2025 at an exercise price of ₹250 per option and 1,27,500 options on 30 March 2026 at an exercise price of ₹250 per option.

In the standalone financial statements, the Group had 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 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 2026	31 March 2025
Options Outstanding at the beginning of the year	35,18,100	36,16,600
No. of Options Granted during the Year	1,65,250	1,99,500
No. of Options Exercised during the year	39,400	1,21,800
No. of Options Forfeited/Cancelled/Expired during the year	1,41,500	1,000
Options Outstanding at the ending of the year	34,94,350	35,18,100
Vested and Exercisable	3,760	20,910

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

The fair values were calculated using the Black-Scholes Model for tenure based options. The inputs to the model include the share price at date of grant, exercise price, expected life, expected volatility, expected dividends and the risk free rate of interest. Expected volatility has been calculated using historical return on share price.

46. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	31 March 2026	31 March 2025	% of Variance	Reason for variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	8.86	7.39	19.78%	-
Debt-Equity Ratio (in times)	Total Debt (Current borrowings and non current borrowings)	Shareholder's Equity	0.002	0.03	-94.44%	The Debt to Equity Ratio declined by 94.44% due to the repayment of loans.
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	4.75	21.82	-78.22%	The Debt Service Coverage Ratio declined by 78.22% due to the repayment of loans.
Return on Equity Ratio (in %)	Profit for the year less preference dividend (if any)	Average Shareholder's Equity	11.83%	27.19%	-56.49%	Lower PAT in FY26 due to moderation in revenue and negative operating leverage..
Inventory turnover ratio (in times)	Cost of goods sold/ Sales	Average Inventory	1.37	2.67	-48.61%	Decrease in COGS which is commensurate with the decrease in revenues during the year resulting in lower inventory ratio
Trade Receivables turnover ratio (in times)	Revenue From Operations	Average Trade Receivable	2.17	3.27	-33.77%	Lower trade receivable due to better realizations from customers.
Trade payables turnover (in times)	Cost of material +Manufacturing Expenses+ Other expenses	Average Trade Payables	10.28	10.20	0.73%	-
Net capital turnover ratio (in times)	Revenue From Operations	Working capital = Current assets – Current liabilities	0.50	0.62	-20.08%	-
Net profit ratio (in %)	Profit for the year	Revenue From Operations	31.69%	30.74%	3.08%	-
Return on Capital employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	15.87%	23.46%	-32.37%	EBIT reduced due to lower revenue.
Return on Investment*	Income from Investment	Cost of Investment	NA	NA	NA	NA

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

47. DIVIDEND PROPOSED AND PAID

Cash dividends on equity shares paid:

Particulars	31 March 2026	31 March 2025
Final dividend for the year ended on 31 March 2025: ₹2.00 per share (31 March 2024: ₹1.00 per share)	1,798.09	898.28
	1,798.09	**898.28**

*Dividend declared on shares held by the ESOP trust which are accounted as treasury shares in these financial statements amounting to ₹7.71 lakhs (31 March 2025: ₹4.63 lakhs) are not recognised as distribution of dividend to shareholders and has been adjusted directly to other equity.

Proposed dividends on Equity shares*

Particulars	31 March 2026	31 March 2025
Final cash dividend for the year ended on 31 March 2026: ₹1.00 per share (31 March 2025: ₹2.00 per share)	902.90	1,798.09
	902.90	**1,798.09**

*Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

48. RESEARCH & DEVELOPMENT EXPENSES

Group R&D Expenditure as Follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Employee Benefits expense	3,042.01	1,594.04
Electricity Charges	41.74	38.93
Travelling expenses	44.70	40.57
Spares & Stores	965.62	733.29
Consultancy Fee	281.23	75.17
Depreciation	47.86	111.86
Rates &Taxes	0.57	0.06
Repairs & Maintenance	42.31	17.09
Others	78.09	54.33
R&D Expenses	**4,544.13**	**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.

48. 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, 2025	Additions	Sales/ Adjustments	As at 31 March, 2026	As at 01 April, 2025	Charge for the year	Sales/ Adjustments	As at 31 March, 2026	As at 31 March, 2026	As at 31 March, 2025
Tangible Assets(A)	1,284.91	15.96	-	1,300.86	622.65	47.88	-	670.52	630.35	577.73
Land	51.50	-	-	51.50	-	-	-	-	51.50	51.50
Building - Sanathnagar	508.01	12.92	-	520.93	113.41	8.68	-	122.09	398.84	377.31
Shed -B42	5.12	-	-	5.12	0.89	0.09	-	0.98	4.14	4.31
Shed - CNC- B 42	10.74	-	-	10.74	0.43	0.36	-	0.78	9.95	10.67
Computers	106.74	-	-	106.74	106.74	0.00	-	106.74	-	-
Plant and machinery	218.75	-	-	218.75	139.78	9.59	-	149.37	69.38	83.21
Office Equipment	170.83	1.07	-	171.90	86.21	17.23	-	103.43	68.47	0.78
Furniture & fixtures	149.02	1.97	-	150.99	117.05	10.90	-	127.95	23.04	42.86
Testing Equipment	64.20	-	-	64.20	58.15	1.03	-	59.17	5.02	7.09
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)	**2,192.73**	**15.96**	**-**	**2,208.68**	**1,530.47**	**47.88**	**-**	**1,578.34**	**630.35**	**577.73**

Unit-2, Signature Towers, Kondapur

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April, 2025	Additions	Sales/ Adjustments	As at 31 March, 2026	As at 01 April, 2025	Charge for the year	Sales/ Adjustments	As at 31 March, 2026	As at 31 March, 2026	As at 31 March, 2025
Tangible Assets(A)	**2,250.00**	**50.64**	**-**	**2,300.63**	**583.12**	**101.94**	**-**	**685.06**	**1,615.58**	**1,715.23**
Land	199.15	-	-	199.15	-	-	-	-	199.15	199.15
Building	1,459.39	-	-	1,459.39	164.86	24.32	-	189.18	1,270.21	1,318.85
Computers	145.21	46.28	-	191.49	89.12	41.20	-	130.31	61.18	44.86
Office Equipment	106.45	3.02	-	109.46	101.23	2.39	-	103.62	5.84	6.60
Furniture & fixtures	339.79	1.34	-	341.14	227.92	34.02	-	261.94	79.20	145.77
R&D Total Assets for Unit I & Unit II	**4,442.72**	**66.60**	**-**	**4,509.31**	**2,113.59**	**149.81**	**-**	**2,263.40**	**2,245.93**	**2,292.96**

49. EVENTS AFTER THE REPORTING PERIOD

On 25 April 2026, certain inventory of Unistring Tech Solutions Private Limited, a subsidiary company, was damaged in a fire incident, with a preliminary estimated loss of approximately ₹ 3.37 Crores. The affected assets are covered under an insurance policy and the claim has been intimated to the insurer. The final quantum of loss and the recoverable amount are pending the surveyor's assessment.

Since this event occurred after the reporting date and does not relate to conditions existing at the balance sheet date, it has been treated as a non-adjusting event under Ind AS 10 in these consolidated financial statements. No provision has been recognised in these financial statements in respect of this matter.

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 do 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 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 Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) The Group 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 Group (Ultimate Beneficiaries), or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Group 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 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 have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(x) The Group 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 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. Previous year figures have been reclassified/regrouped to confirm to those of current year.

52. BUSINESS COMBINATIONS

Acquisition of TISA Aerospace Pvt Ltd

On 30 June 2025,the Group completed the acquisition of 76% stake in TISA Aerospace Pvt Ltd (TISA), for a consideration of ₹ 656.18 lakhs.

a) Summary of assets acquired and liabilities assumed at fair value on the acquisition date:

Particulars	Total
Assets	
Property, plant and equipment	19.90
Deferred tax assets (net)	4.34
Inventories	18.75
Cash and cash equivalents	0.22
Others financial assets	18.99
Other current assets	25.48
Total Assets	**87.68**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

a) Summary of assets acquired and liabilities assumed at fair value on the acquisition date: (Contd.)

Particulars	Total
Liabilities	
Borrowings	96.58
Trade Payables	6.68
Other current liabilities	12.94
Total Liabilities	**116.20**
Total identifiable net assets acquired	**(28.52)**

b) Calculation of Goodwill:

Particulars	Total
Purchase Consideration	656.18
Add: Non-Controlling Interest	(6.84)
Less: Fair Value of Net Assets Acquired	28.52
Goodwill	**677.85**

Acquisition of Anawave Systems & Solutions Pvt Ltd (ASSPL)

On 21 November 2025,the Group completed the acquisition of 76% stake in Anawave Systems & Solutions Private Limited (ASSPL), for a consideration of ₹ 700 lakhs.

a) Summary of assets acquired and liabilities assumed at fair value on the acquisition date:

Particulars	Total
Assets	
Property, plant and equipment	40.19
Capital Work in Progress	31.94
Investments	0.07
Other financial assets	43.58
Deferred tax assets	6.64
Trade receivables	9.33
Cash and cash equivalents	717.22
Bank balances other than above	216.90
Others financial assets	6.48
Current tax assets	3.21
Other current assets	38.97
Total assets	**1,114.54**
Borrowings	302.73
Trade Payables	52.36
Other current liabilities	7.29
Total liabilities	**362.39**
Total identifiable net assets acquired	**752.16**

b) Calculation of Goodwill:

Particulars	Total
Purchase Consideration	700.00
Add: Non-Controlling Interest	180.51
Less: Fair Value of Net Assets Acquired	(752.16)
Goodwill	**128.35**

Acquisition of Vector Technics Private Limited

On 14 February 2025, the Company had acquired 51% equity shares of Vector Technics Private Limited (""Vector"") for a total consideration of ₹ 2,499.88 lakhs, comprising partly paid equity shares of ₹ 1,069.89 lakhs and balance consideration of ₹

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

1,429.99 lakhs payable on or before 24 February 2026. During the year ended 31 March 2026, the Company has paid the balance consideration of ₹ 1,429.99 lakhs, and the entire purchase consideration stands fully discharged.

The Company had recognised goodwill of ₹ 455.13 lakhs on a provisional basis as at 31 March 2025, pending finalisation of the purchase price allocation within the measurement period of one year from the acquisition date, as permitted under Ind AS 103, Business Combinations. The measurement period concluded on 14 February 2026 and the Company has finalised the purchase price allocation during the year. There are no changes to the fair values of assets acquired and liabilities assumed, and accordingly the goodwill of ₹ 455.13 lakhs remains unchanged. No restatement of comparative figures was required.

a) Summary of assets acquired and liabilities assumed at fair value on the acquisition date:

Particulars	Total
Assets	
Property, plant and equipment	88.44
Deferred tax assets (net)	78.64
Other non current financial assets	5.19
Inventories	141.84
Trade Receivables	1.88
Cash and cash equivalents	2.55
Other current assets	56.81
Total Assets	**375.33**
Liabilities	
Borrowings	421.06
Provisions	4.19
Other financial liabilities	116.53
Trade Payables	65.88
Other current liabilities	72.06
Total Liabilities	**679.72**
Total identifiable net assets acquired	**(304.39)**

b) Calculation of Goodwill:

Particulars	Total
Purchase Consideration	299.89
Add: Non-Controlling Interest	(149.15)
Less: Fair Value of Net Assets Acquired	304.39
Goodwill	**455.13**

Loss of Control in AiTuring Technologies Private Limited — Reclassification from Subsidiary to Associate

During the year, AiTuring Technologies Private Limited (""AiTuring""), a subsidiary of the Company, issued 833 fresh equity shares to outside investors at ₹ 4,000 per share. Pursuant to this fresh issue, the total issued share capital of AiTuring increased from 20,409 shares to 21,242 shares. The Company's shareholding in AiTuring, being 10,409 shares, remained unchanged in absolute terms; however, its percentage holding reduced from 51.0% to 49.0%, resulting in loss of control over AiTuring with effect from 18 September 2025. Accordingly, AiTuring has been deconsolidated from this date, and the Company's retained 49% interest is now accounted for as an investment in associate under Ind AS 28 ""Investments in Associates and Joint Ventures".

The fair value of the Company's retained 10,409 shares (49% interest) in AiTuring has been determined with reference to the price of ₹ 4,000 per share at which AiTuring issued fresh equity shares to outside investors on September 18, 2025, being an arm's length transaction with an unrelated third party.

a) Calculation of Gain on Loss of Control

Particulars	Total
Fair value of retained interest	416.36
Add: Carrying value of NCI derecognised	131.08
Total (A)	**547.44**
Less: Carrying value of net assets derecognised	267.30
Less: Goodwill derecognised	185.90
Total (B)	**453.20**
Gain on loss of control (A - B)	**94.24**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

With effect from 18 September 2025, the retained 49% interest in AiTuring is accounted for as an investment in associate under the equity method as per Ind AS 28, whereby the Company's share of AiTuring's profit or loss is recognised in the Consolidated Statement of Profit and Loss and the carrying amount of the investment is adjusted accordingly. The gain of Rs. 94.24 lakhs on loss of control has been disclosed as an exceptional item in the Statement of Profit and Loss for the year.

Revenue, expenses, assets and liabilities of AiTuring are consolidated line-by-line only up to 17 September 2025 and are not consolidated thereafter. Goodwill of Rs. 185.90 lakhs relating to AiTuring, previously carried in the consolidated balance sheet, has been derecognised as it does not qualify for continued recognition once control is lost. The investment in AiTuring is disclosed as "Investment in Associate" under Non-current Investments as at 31 March 2026.

53. GROUP INFORMATION

Information about subsidiaries

The consolidated financial statements of the Group include subsidiaries listed in the table below:

Name of the entity	Principal activities	As at 31 March 2026							
		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	93.48%	1,82,196.06	67.10%	14,622.98	5.59%	45.59	64.88%	14,668.56
Indian Subsidiaries									
Unistring Tech Solutions Private Limited	Development of electronic warfare solutions	6.21%	12,099.97	25.70%	5,601.45	-2.43%	(19.79)	24.69%	5,581.66
Zen Medical Technologies Pvt Ltd	Manufacturing of medical devices	0.02%	37.97	-0.01%	(2.19)	0.00%	-	-0.01%	(2.19)
Aituring Technologies Private Limited	Manufacturing of Electronics and Electrical instruments	0.00%	-	-0.43%	(93.54)	0.00%	-	-0.41%	(93.54)
Applied Research International Private Limited	Military Training & operations	5.52%	10,766.96	18.21%	3,968.17	18.33%	149.47	18.21%	4,117.64
ARI Labs Private Limited	Military Training & operations	0.02%	31.75	0.00%	(0.40)	0.00%	-	0.00%	(0.40)
Vector Technics Private Limited	Manufacturing of Electronics and Electrical instruments	0.71%	1,389.05	-2.26%	(491.96)	0.00%	-	-2.18%	(491.96)
TISA	Military Training & operations	-0.04%	(81.64)	-0.22%	(46.87)	0.00%		-0.21%	(46.87)
Anawave	Military Training & operations	0.41%	794.69	0.01%	3.22	0.09%	0.77	0.02%	3.98
Foreign Subsidiaries									
Zen Technologies USA, INC	Training Simulators manufacturing	6.21%	12,099.97	-2.59%	(564.49)	78.42%	639.62	0.33%	75.13
Zen Defence Technologies L.L.C, UAE	Training Simulators manufacturing	0.01%	26.60	-0.01%	(1.37)	0.00%	-	-0.01%	(1.37)
Total		**112.55%**	**2,19,361.39**	**105.52%**	**22,995.00**	**100.00%**	**815.65**	**105.32%**	**23,810.65**
Consolidation adjustments		-12.55%	(24,452.99)	-5.52%	(1,202.48)	0.00%	-	-5.32%	(1,202.48)
Net amount		**100.00%**	**1,94,908.40**	**100.00%**	**21,792.52**	**100.00%**	**815.65**	**100.00%**	**22,608.17**

Name of the entity	Principal activities	As at 31 March 2025							
		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

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

53. GROUP INFORMATION (Contd.)

Name of the entity	Principal activities	As at 31 March 2025							
		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
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 Inc ,USA	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)	-	-	-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**

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number: 010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership Number: 223022

Place: Hyderabad
Date: 01 May 2026

For and on behalf of the Board of Directors of
Zen Technologies Limited

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

Shilpa Choudari
Whole Time Director
DIN: 06646539

Hari Haran Chalat
Chief Financial Officer

Sourav Dhar
Company Secretary
M.No.: A63455

Place: Hyderabad
Date: 01 May 2026

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