ZEN TECHNOLOGIES LIMITED

being there...

Certified ISO 9001:2015, ISO 27001:2013, CMMI ML5
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Corporate Identity Number: L72200TG1993PLC015939

August 23, 2024

To
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001
Through: BSE Listing Centre
Security Code: 533339

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

Dear Sir,

Sub: Submission of Annual Report for FY 2023-24, along with notice of the 31st Annual General Meeting (AGM) of the Company.

-o0o-

Pursuant to regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of annual report of the Company for FY 2023-24, together with notice for the 31st AGM to be held on Saturday, September 14, 2024, at 11:00 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

The Annual Report for FY 2023-24 is also made available on the website of the Company at: https://www.zentechnologies.com/annual-reports

Kindly take the same on record and acknowledge the receipt.

Thanking you.
Yours faithfully,
For Zen Technologies Limited

MOVVA RAGHAVENDRA PRASAD

Digitally signed by MOVVA RAGHAVENDRA PRASAD
Date: 2024.08.23 19:25:43 +05'30'

ZEN TECHNOLOGIES LTD. HYD.

M. Raghavendra Prasad
Company Secretary and Compliance officer
M.No.: A41798

Encl: as above

Zen Technologies Limited

ANNUAL REPORT 2023-24

Architecting India's Self Reliance in Defence Training & Counter Drone Solutions

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Forward Looking Statement

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

FY24 IN REVIEW

(₹ in Crores)

430.28
REVENUE FROM OPERATIONS
161.44 FY23 — ▲ 167%

191.16
EBITDA
58.33 FY23 — ▲ 228%

129.23
PROFIT AFTER TAX
37.64 FY23 — ▲ 243%

~1,402
ORDER BOOK
~473 FY23 — ▲ 196%

Architecting India's Self Reliance in Defence Training & Counter Drone Solutions

In an era where national security is paramount, Zen Technologies stands at the forefront of innovation and self-reliance in defence training & counter drone solutions. Our journey is deeply intertwined with India's vision of becoming a self-sufficient defence powerhouse, and we are proud to be driving this transformation.

At Zen Technologies, we believe that true self-reliance is achieved not just through indigenous production but through the creation of cutting-edge technologies that redefine defence training. Our advanced training & counter drone solutions and anti-drone systems exemplify our commitment to excellence and innovation. By developing these state-of-the-art solutions in-house, we ensure that our armed forces are equipped with the best tools to prepare for the complexities of modern warfare.

Our mission extends beyond national borders. As we continue to innovate, we are also making significant strides in the global market. Zen Technologies is not only contributing to India's defence capabilities but is also positioning itself as a trusted partner for nations worldwide. Our export initiatives are a crucial part of our strategy, enabling us to share our expertise and cutting-edge technologies with friendly nations, thereby enhancing global security.

The essence of our work lies in our dedication to quality and innovation. Each product we develop is a step towards a more secure and self-reliant India. Our simulators provide realistic, cost-effective training environments, while our anti-drone systems address the growing threat of unmanned aerial vehicles. These solutions are designed to meet the unique challenges faced by modern armed forces, ensuring they are always a step ahead.

As we look to the future, our vision remains clear: to be the global leader in defence training & counter drone solutions and anti-drone technologies. We are committed to empowering armed forces worldwide with the tools they need to protect and serve. Through relentless innovation and a steadfast focus on quality, Zen Technologies is architecting a future where self-reliance and global collaboration go hand in hand.

ABOUT THE COMPANY

Empowering Armed Forces ***Through Cutting-Edge Technology***

Zen Technologies Limited stands at the forefront of India's defence technology sector, pioneering advanced simulation, and training and counter drone solutions for armed forces worldwide. Founded in 1993 and headquartered in Hyderabad, India, Zen has established itself as a leader in indigenous design and development of state-of-the-art defence training systems and anti-drone technologies.

Zen Technologies' growth strategy is multifaceted, focusing on both domestic and international markets. While maintaining a strong presence in India, the company has made significant inroads into global markets, particularly in the Middle East, Africa, and CIS countries. This expansion is driven by the growing recognition of India as a reliable defence partner and the increasing demand for advanced training and anti-drone solutions worldwide.

With a legacy spanning three decades, Zen Technologies has consistently pushed the boundaries of innovation in defence training & counter drone solutions. The company's journey began with a vision to enhance the combat readiness of armed forces through cutting-edge simulation technologies. Today, Zen stands as a testament to India's growing prowess in indigenous defence manufacturing, aligning perfectly with the nation's 'Make in India' and 'Atmanirbhar Bharat' initiatives. Zen's product portfolio encompasses a wide range of simulators, including those for tanks, driving, gunnery, and flight training. These advanced systems provide realistic, cost-effective, and environmentally friendly alternatives to traditional live training exercises. The company's simulators are designed to replicate real-world scenarios, allowing military personnel to hone their skills in a safe and controlled environment. In recent years, Zen has expanded its expertise to address emerging security challenges, particularly in the counter-drone technologies. The company's anti-drone systems are at the forefront of combating the growing threat posed by unmanned aerial vehicles, offering comprehensive detection, tracking, and neutralisation capabilities.

At the heart of Zen's success lies its unwavering commitment to research and development. The company boasts a robust R&D team that continually innovates and develops new technologies to meet the evolving needs of modern warfare. This focus on innovation is reflected in Zen's impressive portfolio of over 155 patents applied, underscoring its position as a true technology leader in the defence sector.

Vision

To be a leading player globally in providing Combat Training and Counter Drone solutions to Armed, Paramilitary, and Police Forces.

Mission

To provide Combat Training and Anti-Drone solutions through innovative and cost-effective solutions.

A GLANCE AT ZEN

30+
YEARS OF EXPERIENCE IN DEFENCE TECHNOLOGY

340+
TEAM MEMBERS

~₹1,402 Crores
ORDER BOOK AS ON MARCH 31, 2024

~75
PATENTS GRANTED OF THE 155 PATENTS FILED TILL DATE

~₹85+ Crores
INVESTED IN R&D OVER LAST 5 YEARS

1,000+
TRAINING SYSTEMS SHIPPED OVER THE WORLD

OUR JOURNEY

Charting New Frontiers in ***Simulation and Security***

Zen Technologies stands at the forefront of defence innovation, leveraging three decades of expertise to revolutionise military training and security. Our journey, marked by relentless innovation and unwavering commitment, has positioned us as leaders in advanced simulators and cutting-edge anti-drone systems. Today, we continue to push boundaries, developing solutions that enhance combat readiness and address emerging security challenges, reinforcing our dedication to those who safeguard our nation.

1993
Zen Technologies was incorporated
Zen Technologies was founded with a vision to revolutionise defence training through innovative simulation technologies.

1996
Zen's first product
Zen SATS®, was successfully sold to the Government of India, marking a significant achievement and establishing the company's reputation in the field of training and simulation.

1998
Recognition of R&D Efforts
Zen's relentless focus on research and development was recognised by the Government of India, setting the stage for future innovations.

2002
Launch of Advanced Warfare Weapons Simulator (AWeSim®)
Zen introduced AWeSim, an advanced simulator that set new standards in defence training.

2004
Listing on the Bombay Stock Exchange
Leveraging its strong reputation and effective business model, Zen Technologies got listed on the Bombay Stock Exchange, marking a significant milestone in its growth journey.

2006
Launch of BMP Driving Simulator and BMP Integrated Missile
Zen expanded its product portfolio with the launch of the BMP Driving Simulator and BMP Integrated Missile, enhancing its offerings in defence training.

2008
Introduction of Live Simulation
Zen launched live simulation technologies, making training experiences more immersive and realistic for armed forces.

2009
Commissioning of Maheshwaram Unit
The company commissioned its Maheshwaram Unit in Hyderabad, further strengthening its manufacturing capabilities.

2011
Launch of First Tank Simulator
Zen launched its first tank simulator, reinforcing its position as a leader in defence simulation technologies.

2012
Introduction of UAV Simulator
In line with its commitment to diversifying its product portfolio, Zen launched the UAV Simulator, offering comprehensive training solutions.

2013
Launch of Multiple Simulators
Zen introduced a range of simulators including IWTS*, ACTS™, TZS, MMG, and AGL, showcasing its innovative prowess.

2015
Launch of Combat Training Centres (CTC)
Zen launched its flagship Combat Training Centres, integrating its entire product range. The same year, Zen was listed on the National Stock Exchange (NSE), amplifying its visibility in the capital market.

2016
Launch of Containerised Tubular Shooting Range
Zen continued to innovate with the launch of the containerised Tubular Shooting Range, providing flexible and effective training solutions.

2018
Commissioning of AI Centre
Zen commissioned its first AI centre in Hyderabad, underscoring its commitment to staying ahead of the technological curve.

2019
Becoming Debt-Free and Expanding Globally
Zen became a debt-free company and established a wholly-owned subsidiary in the USA, marking its venture into the American and South American markets.

2021
Launch of Anti-Drone System
Zen launched its Anti-Drone System and further solidified its international presence with a branch office in Abu Dhabi, UAE.

2022
First Order of Anti-Drone System
Zen received its first order for the Anti-Drone System and successfully integrated hard-kill technology, enhancing its product capabilities.

2023
The Company achieved highest ever turnover of ₹161 Crores

2024
Record Turnover and Profitability
Zen recorded its highest-ever turnover and profitability of ₹430 Crores and ₹129 Crores respectively, closing the year with the highest-ever order book at hand of ~₹1,402 Crores.

PRODUCT PORTFOLIO

From ground-breaking anti-drone systems to state-of-the-art virtual and live simulation technologies, our product portfolio reflects our commitment to innovation. Our success is driven by a dedicated R&D team that consistently delivers top-tier products tailored to the needs of our customers.

We proudly offer our solutions across three verticals: Training Solutions (Live Ranges, Live Simulation, Virtual Simulation and Combat Training Centre), Counter-Drone Solutions and Operational Equipment. These offerings not only enhance the operational readiness of armed forces but also align with our vision of sustainable and effective defence training.

Transforming Defence ***Training Through Innovation***

PRODUCT PORTFOLIO

Live Ranges

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

SMART TARGET SYSTEM (ZEN STS®) – LOMAH™

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

SHOOT HOUSE FOR LIVE AND SIMULATED INDOOR TACTICAL TRAINING

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

MASTER CONTROL STATION FOR LIVE-FIRING RANGES (MCS)

This is a live-firing range control system that displays and controls all targets in the range. With a range of advanced features, the MCS provides complete control and automation of the range, thus delivering highly efficient and effective training exercises.

MULTI-FUNCTIONAL TARGET SYSTEM (MFTS®)

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

TANK TARGETS

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

CONTAINERISED TUBULAR SHOOTING RANGE (CTSR)

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

CONTAINERISED INDOOR SHOOTING RANGE (CISR)

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

ZEN SHOOT HOUSE LIVE FIRE CLOSE QUARTERS BATTLE (CQB) FACILITY

Zen Shoot House has been designed to train combat troops in close quarter battle situations in the closed environment of a built-up area. The Shoot House facility enables soldiers to carry out indoor live firing engagements to practice Room Intervention/Clearing drills. Also equipped for conduct of two-sided tactical training exercises with Simulated Fire (Not Live Fire). It thus offers the advantage of Live Fire training as well as Laser Fire based two sided opposed training.

ZEN INDOOR SHOOTING RANGE

Zen Technology Shooting Ranges are state of the art ranges enabled to facilitate maximum training in minimum time with the highest of safety. In this day and age of reducing outdoor ranges, high pressure on availability of training manpower, tight budgets, full spectrum training needs, and inescapable need of an ever ready combat force, Zen's fully enabled indoor shooting ranges have a very critical role to play.

AIR-TO-GROUND FIRING RANGE SCORING SYSTEM

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

TANK ZEROING SYSTEM (TZS)

For tank and Armoured Fighting Vehicle (AVF), our TZS ensures accurate bore-sighting and zeroing in on the main gun of tanks and AVFs, thus reducing the need for manpower and conserving valuable ammunition.

Live Simulation

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

ARMOUR COMBAT TRAINING SYSTEM (ZEN ACTS™)

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

TACSIM® INDOOR TRACKING SYSTEM

This system is designed to meet the training needs of armed forces tasked to combat enemy / terrorists operating from built-up area/buildings, by physical intervention. The system is akin to the Zen outdoor Tactical Engagement Simulator (TacSim®) with additional features that enable its functioning indoors, where GPS does not work.

TACSIM® TACTICAL ENGAGEMENT SIMULATOR

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

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

HANDS GRENADE SIMULATOR (HE36S®)

This is a patented hand grenade simulator that trains hand grenade usage through mind-body coordination, thus reducing the risk of accidents.

ANNUAL REPORT 2022-23

PRODUCT PORTFOLIO

Virtual Simulation

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

81MM MORTAR INTEGRATED SIMULATOR (81MM MIS)
This simulator is designed to enable the soldier to gain proficiency in operating and firing the 81mm Mortar.

ANTI-AIRCRAFT AIR DEFENCE SIMULATOR (3ADS)
This light-weight and user-friendly simulator is designed to train operators on laying procedures in both simulated and field conditions as well as psychophysiological training, experienced at the time of launch. It provides data of missile launch, details of target movements and hit-and-miss information for analysis.

ANTI-TANK GUIDED MISSILE SIMULATOR (ATGM® SIM)
This is an indoor simulator, designed and developed to meet the challenging training requirements of missile pilots. This simulator trains recruits and hones the skills of trained pilots in handling and firing missiles. The guided missile simulator enables instructor to track the performance of trainees in real time.

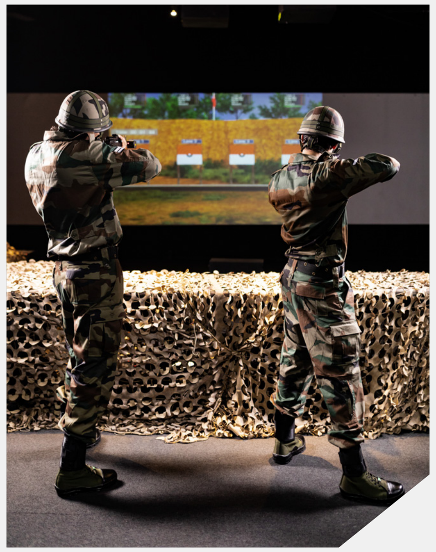
ARTILLERY FORWARD OBSERVERS SIMULATOR (ARTYFOS)
This simulator trains observation post officers, forward observers of the artillery and other officers of combat wings of army who may be required to fire long-range, indirect fire weapons like mortars, guns, howitzers, rockets and missiles.

AUTOMATIC GRENADE LAUNCHER SIMULATOR (AGL SIM)
This simulator offers complete training solutions to the crew of an automatic grenade launcher. The trainee-in-loop gets the benefit of life-like environment of terrain, combat situation and weapon.

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

INFANTRY WEAPONS TRAINING SIMULATOR (IWTS®)
This modularly-designed wireless system facilitates marksmanship training and battle handling of weapons, both individually and up to a section of recruits/soldiers in tactical scenarios of conventional and unconventional operations.

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



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

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

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

CREW GUNNERY SIMULATOR FOR T-72 TANK (T-72 CGS)
This is a comprehensive simulator designed to train both commanders and gunners of Tank T-72, thus enabling skill development from basic to advanced levels.

DRIVING SIMULATOR FOR T-72 TANK (T-72 DS)
This is a holistic driving simulator that provides training features that enable skill development from basic to advance levels. Features include, interactive controls familiarisation, starting and stopping drills and procedures, driving techniques, instructor and driver stations and motion platform.

GUNNERY SIMULATOR FOR T-72 TANK (T-72 GS)
This simulator is for gunner trainees of Tank T-72. It provides multiple features such as, interactive controls familiarisation, gunnery drills and procedures, target acquisition and engagement etc. that enable skill development from basic to advance levels.

CREW GUNNERY SIMULATOR FOR T-90 TANK (T-90 CGS)
This is a crew gunnery training simulator for both commander and gunner trainees of Tank T-90. It provides multiple features such as, interactive controls familiarisation, gunnery drills and procedures, target acquisition and engagement, etc. that enable skill development from basic to advance levels.

DRIVING SIMULATOR FOR T-90 TANK (T-90 DS)
This simulator provides training features such as interactive controls familiarisation, starting and stopping drills and procedures, driving techniques, instructor and driver stations and motion platform etc. that enable skill development from basic to advance levels.

GUNNERY SIMULATOR FOR T-90 TANK (T-90 GS)
This is a gunnery training simulator for gunner trainees of Tank T-90. It provides multiple features such as, interactive controls familiarisation, gunnery drills and procedures, target acquisition and engagement etc. that enable skill development from basic to advance levels.

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

DRIVING TRAINING SIMULATOR (ZEN DTS®)
This is a versatile, indoor training system for light, medium and heavy vehicle drivers. The simulator facilitates training in a 'to-scale' vehicle cabin with actual indicators and controls.

AUTOMATED DRIVING SIMULATOR (ZEN ADS)
This is a standalone, versatile, indoor, classroom driver training simulator for light, medium and heavy vehicles.

The simulator facilitates training in a mock-up vehicle cabin with actual indicators and controls, thereby creating a realistic driving environment.

DRIVING SIMULATOR (DS)
This is a dynamic indoor, classroom driver training simulator for light, medium and heavy vehicles. The basic system is supplied with a single instructor station and a driver station but it has the facility to control up to 10 driver stations of various combinations of vehicles, individually or simultaneously.

BUS DRIVING SIMULATOR (BUSSIM)
This is a versatile indoor training system that trains bus drivers of varied skill-sets and experience. The simulator uses 'to-scale' bus cabin with all gauges, controls, transmission systems and indicators found in a bus. This software has been specially developed to recreate the real-life environment in which bus drivers operate.

TATRA DRIVING SIMULATOR (TDS)
This is an indoor system that transforms recruits into skilled drivers through various levels of complex exercises, in all kinds of terrain, visibility and weather conditions, using 3D computer-generated visuals.

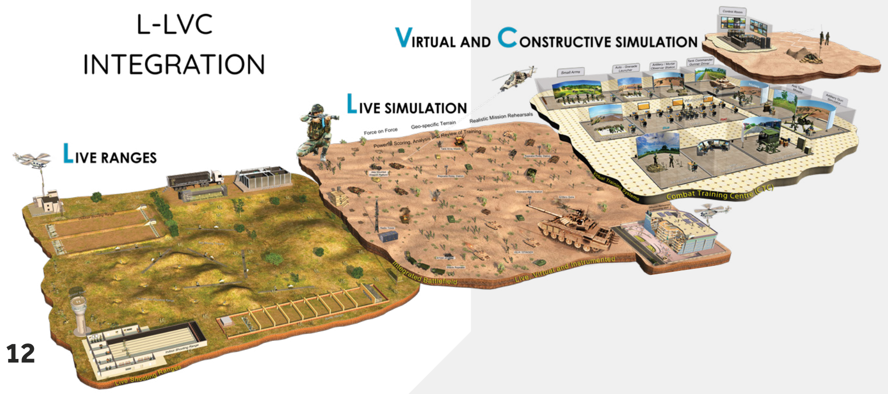
UAV MISSION SIMULATOR (UAV SIM)
This is a comprehensive system developed to train external and internal pilots, mission commanders, observers/special payload operators and image interpreters.

PRODUCT PORTFOLIO

Combat Training Centre (CTC)

Our Combat Training Centres are designed to deliver this critical training in a realistic and engaging environment. With the ability to simulate offence, defence, stability operations, and more, CTCs are the ideal platform for joint power projection, ground maneuver, air operations, fire supports, logistics, and other vital elements of combat readiness. These state of the art facilities feature instrumented range areas, simulation facilities, and a dedicated full-time military opposing force to provide a dynamic and capable adversary for training exercise.

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



New Products

In collaboration with our subsidiary, AI Turing Technologies, we have launched four new products designed to meet the evolving needs of the global defence market. These IP-owned innovations- Hawkeye, Barbarik-URCWS, Prahasta, and Sthir Stab 640-demonstrate our dedication to providing advanced tactical superiority and operational efficiency to armed forces worldwide.

1. **ADS CAMERA (HAWKEYE)**
Hawkeye epitomises a state-of-the-art anti-drone system camera, featuring multiple sensor detection modules for all-weather drone tracking up to 15 km. It ensures continuous threat detection and enhanced security.

Know more

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

Know more

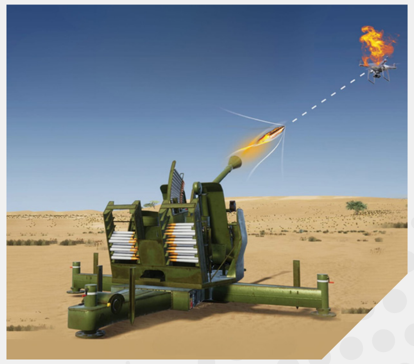
3. **ROBODOG (PRAHASTA)**
Prahasta is a revolutionary automated quadruped that uses LIDAR and reinforcement learning to create real-time 3D terrain mapping for unparalleled mission planning, navigation, and threat assessment. The quadruped can be armed with various calibre weapons such as 9mm, 5.56mm,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

Know more

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

Know more

These innovative products, particularly Hawkeye and Barbarik-URCWS, can be seamlessly integrated with our Anti-Drone System, offering a unique and comprehensive solution to our clients. Our focus on leveraging advanced technologies and continuous R&D efforts ensures that Zen Technologies remains at the forefront of defence innovation, providing unmatched tactical superiority and operational efficiency to armed forces globally.



Operational Equipment

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

Anti-drone Solutions

With its ability to provide real-time monitoring and surveillance through high-quality images and video footage, drone technology is transforming the way we approach security and defence. Recognising this, we have taken the lead in developing a range of superior-quality anti-drone solutions. With its unique combination of a soft kill and hard kill facility, our anti-drone systems are designed to provide unrivalled protection to military and private organisations alike, including oil and gas industries and various other public spaces.

Features of our Anti-drone System

Integrates cutting-edge features, such as RF-based drone detection and radar tracking capabilities

Can be mounted on a vehicle, providing unparalleled mobility and reach

Equipped with a powerful drone RF jammer and Hard Kill

ANTI-DRONE SYSTEMS (CUAS)
Our next-gen Anti-drone System (CUAS) is the ultimate defence against unmanned aerial threats. With a focus on drone detection, classification and tracking through advanced passive surveillance and camera sensors, ZADS neutralises potential dangers through effective communication jamming. Zen provides the capability to integrate existing weapon platforms, transforming Anti Drone Systems (ADS) into advanced hard-kill versions.

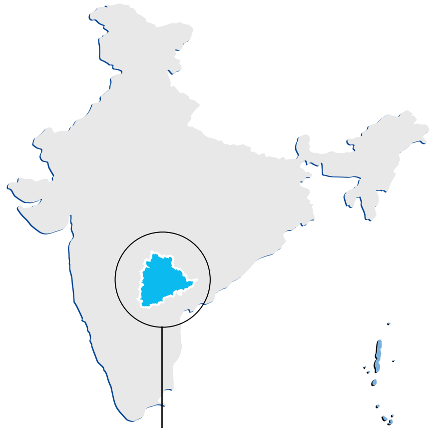
OUR FACILITIES

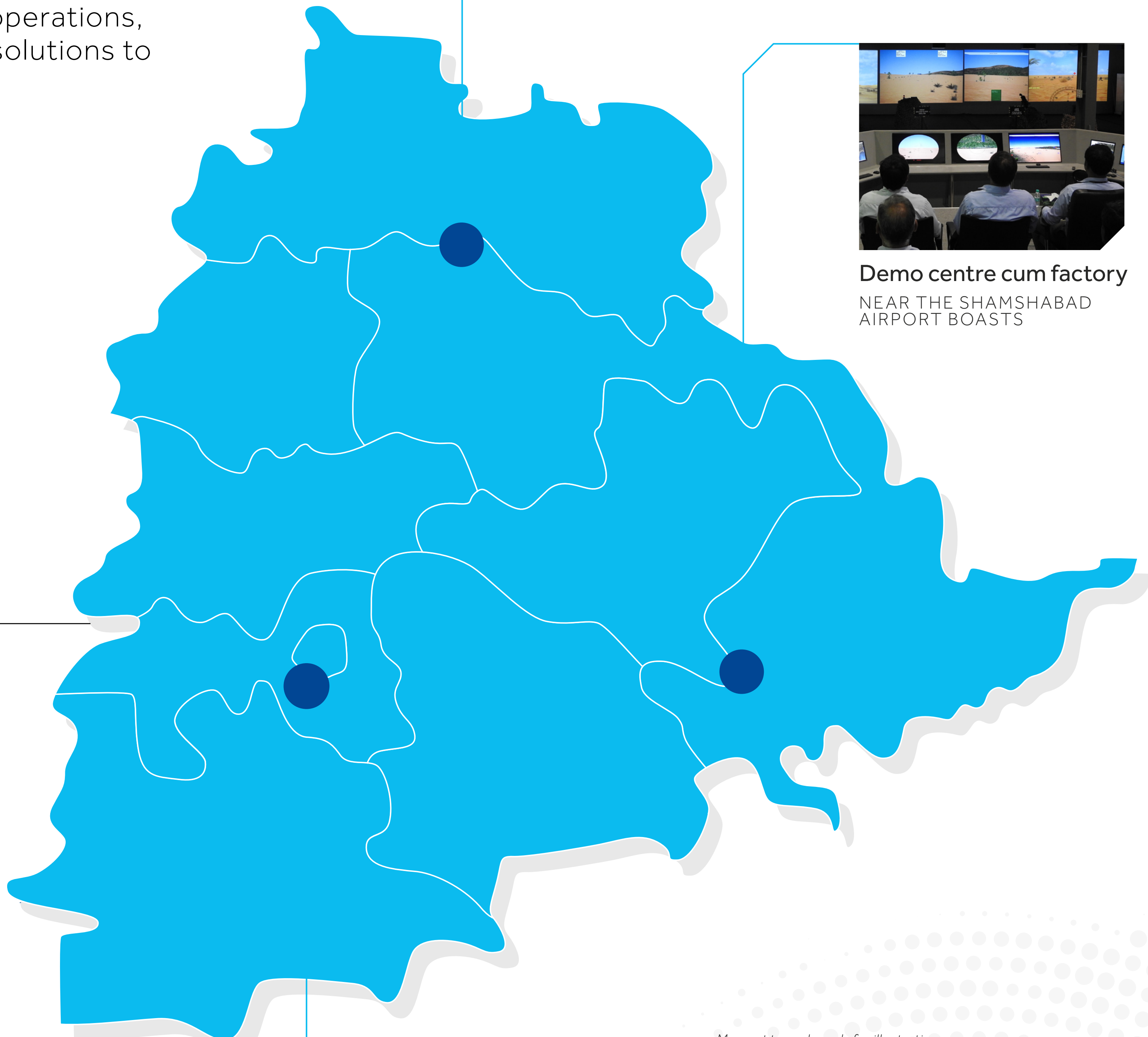
Facilities Transforming ***Defence Solutions Landscape***

Zen Technologies takes immense pride in its state-of-the-art facilities, each meticulously designed to cater to the unique demands of our innovative business. These advanced centres form the backbone of our operations, enabling us to deliver unparalleled solutions to the defence industry.

R&D centre

SANATH NAGAR, HYDERABAD





Demo centre cum factory

NEAR THE SHAMSHABAD AIRPORT BOASTS

Software and AI development centre

KONDAPUR, HYDERABAD

Map not to scale, only for illustration purpose

Research and Development Centre, Sanath Nagar, Hyderabad

Our Research and Development Centre in Sanath Nagar, Hyderabad, is a hub of innovation where our team of experts work tirelessly to develop cutting-edge solutions that meet the evolving needs of the defence industry.

Demo Centre cum Factory, Near Shamshabad Airport

Located near Shamshabad Airport, our Demo Centre cum Factory spans an impressive 15,000 square feet. This expansive facility allows us to showcase our products to the world, offering clients an immersive experience that vividly demonstrates the unique value we provide.

Software and AI Development Centre, Kondapur, Hyderabad

In the heart of Hyderabad's Hi-tech City, Kondapur, our Artificial Intelligence Centre represents our unwavering commitment to technological leadership. Through a strategic partnership with the esteemed University of Hyderabad, we explore the frontiers of AI, ensuring we remain at the forefront of this transformative technology.

KEY PERFORMANCE INDICATORS

Quantifying Our *Progress*

Over the past few years, Zen Technologies has focused on fortifying the foundation, diversifying the product portfolio, and deepening the understanding of the niche defence industry. The milestones achieved this year have set a new benchmark for our company, and we are poised to continue this momentum, delivering exceptional value to our customers and stakeholders.

REVENUE FROM OPERATIONS

(₹ in Crores)

FY 24	**430.28**
FY 23	161.44
FY 22	53.71

EBITDA MARGIN

(In %)

FY 24	**43%**
FY 23	35%
FY 22	12%

EBITDA

(₹ in Crores)

FY 24	**191.16**
FY 23	58.33
FY 22	7.28

PAT MARGIN

(In %)

FY 24	**30%**
FY 23	23%
FY 22	4%

R&D EXPENDITURE

(₹ in Crores)

FY 24	**26.65**
FY 23	20.21
FY 22	13.80

PROFIT AFTER TAX

(₹ in Crores)

FY 24	**129.23**
FY 23	37.64
FY 22	2.02

RETURN ON CAPITAL EMPLOYED

(In %)

FY 24	**41%**
FY 23	17%
FY 22	1%

ORDER BOOK STATUS

(₹ in Crores)

FY 24	**1,402**
FY 23	473
FY 22	431

LETTER TO SHAREHOLDERS

Driving Growth Through Indigenous ***Defence Technology Leadership***

Dear Shareholders,

It is with great pleasure and a profound sense of optimism that I present to you the Annual Report for Zen Technologies Limited for FY24. As we reflect on the past year, I am filled with immense pride in our company's achievements and excitement about the transformative journey that lies ahead.

> *The Indian defence sector is projected to grow driven by increasing defence budgets, focus on modernisation, and the push for import substitution.*

Ashok Atluri
CHAIRMAN & MANAGING DIRECTOR

Riding the Wave of India's Defence Transformation

FY24 has been truly transformative for Zen Technologies, positioning us at the forefront of India's defence technology sector. We find ourselves at the epicentre of a remarkable shift in India's defence landscape, propelled by visionary government policies and a renewed focus on self-reliance.

The 'Make in India' and 'Atmanirbhar Bharat' initiatives have created a robust ecosystem for companies like ours to thrive. The government's unwavering commitment to indigenous design, development, and manufacturing has opened unprecedented opportunities for innovation and growth. The introduction of the Indigenously Designed, Developed, and Manufactured (IDDM) category has been a game-changer, finally aligning national policy with our long-held vision of indigenous IP creation.

Industry tailwinds are strongly in our favour. The Indian defence sector is projected to grow driven by increasing defence budgets, focus on modernisation, and the push for import substitution. The government's ambitious target of achieving defence production worth $25 Billions by 2025, including $5 Billions in exports, presents enormous opportunities for companies with strong indigenous capabilities like Zen Technologies.

Furthermore, the increasing focus on simulator-based training in the armed forces has amplified the relevance of our core offerings. As the Chief of Army Staff recently emphasised, the era of simulator-based training has just begun, underscoring the vast potential that lies ahead for our simulation technologies.

This favourable policy environment has been complemented by growing global recognition of the need for advanced defence training and anti-drone systems. Recent geopolitical events have highlighted the critical importance of combat readiness and the increasing threat posed by unmanned aerial vehicles. Zen Technologies is uniquely positioned to address these emerging needs with our cutting-edge simulators and anti-drone solutions.

Soaring to New Heights

I am delighted to report that FY24 has been the most successful year in Zen's history, both in terms of financial performance and order book position. We achieved a record revenue of ₹430 Crores, representing a remarkable year-on-year growth of 167%. Our EBITDA margins remained robust at 43%. Our PAT stood at ₹129 Crores, recording a 243% growth over the previous year. This strong performance was a result of the operating leverage built into our business model. As we scale up operations, our fixed costs are spread over a larger revenue base, leading to margin expansion. Our asset-light model, focused on intellectual property creation rather than capital-intensive manufacturing, allows us to maintain high profitability even as we grow rapidly.

> Looking ahead to FY25 and beyond, we are setting our sights on even greater heights. We have set a target of maintaining a CAGR of 50% for the subsequent three years, reflecting our confidence in continued robust growth and our commitment to delivering exceptional results.

Our order book stands at an all-time high of ~₹1,402 Crores as of March 31, 2024, providing strong visibility for future growth. This includes significant orders in both our simulator and anti-drone segments, as well as a healthy mix of domestic and export orders. The export component of our order book now stands at approximately 35%, reflecting the growing global recognition of our technologies.

Looking ahead to FY25, we have set an ambitious target of achieving significant growth in revenue, and we are confident in our ability to execute, given the strong tailwinds in our industry and our proven track record.

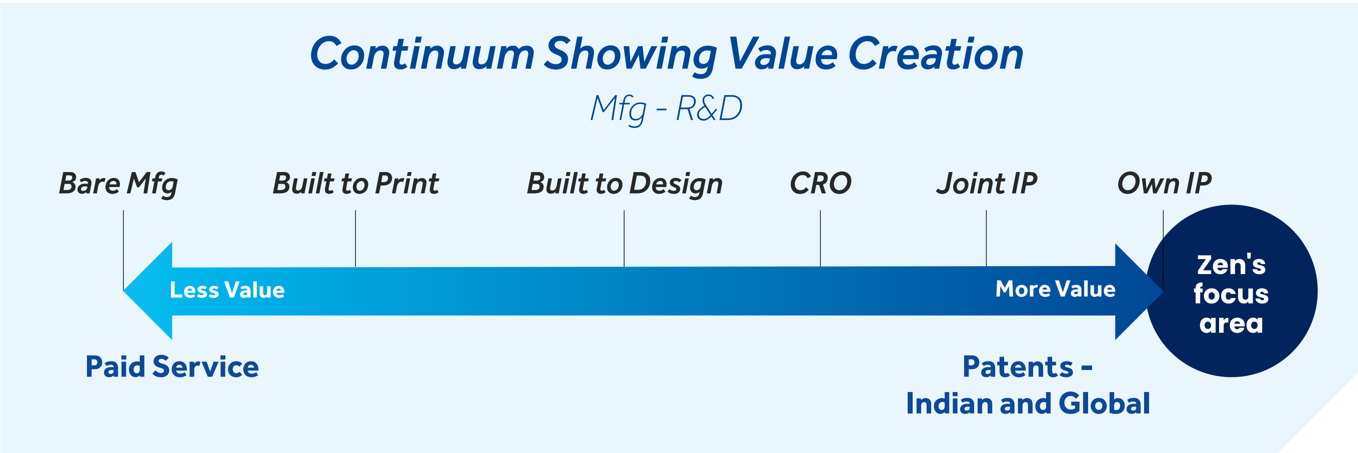
Innovation at Our Core

At the heart of Zen's success lies our unwavering commitment to research and development. Since our inception, we have prioritised innovation and the creation of intellectual property. This focus has enabled us to develop a diverse portfolio of advanced simulators and cutting-edge anti-drone systems.

To date, we have filed over 155 patents, including 15 filed in FY24 alone. Of these 155 filed patents, 75have been granted to us so far.. Zen has a treasure trove of IP that can keep creating new products into the future. Our R&D-driven approach is deeply ingrained in our corporate DNA, with over 30% of our workforce dedicated to research and development. This commitment is further bolstered by our extensive library of software, electronic, and mechanical modules, meticulously developed over three decades. This rich repository enables us to rapidly conceptualise and realise new products, keeping us at the forefront of technological advancement.

The strategic value of our growing IP portfolio extends far beyond mere product development and helps us fortify our competitive position and create significant long-term value for our shareholders. Our R&D-driven approach has allowed us to capture a majority of the value chain, enhancing our profit margins and creating formidable barriers to entry for potential competitors.

LETTER TO SHAREHOLDERS



We remain committed to investing in R&D, however, we maintain flexibility in our approach, ready to increase this investment if promising opportunities arise. Our focus on leveraged R&D, despite relatively low spending (~₹85 Crores in the last 5 years), enables us to stay ahead of the competition and continuously upgrade our products based on customer feedback.

Innovative Product Portfolio

Our commitment to innovation is reflected in our expanding product portfolio. We have introduced several new products that address critical needs in the defence sector:

- ***ADS Camera (Hawkeye):*** A state-of-the-art anti-drone system camera with multiple sensor detection modules.
- ***Ultralight Remote Controlled Weapon System (Barbarik-URCWS):*** The world's lightest remote-controlled weapon station.
- ***Robodog (Prahasta):*** A revolutionary automated quadruped for mission planning and threat assessment.
- ***Sthir Stab 640:*** A rugged stabilised sight for armoured vehicles, ICVs, and boats.

These products, especially Hawkeye and URCWS, can be integrated with our Anti-Drone System, offering a unique and comprehensive solution to our clients.

Expanding Horizons

The opportunities before us are truly enormous. The domestic market for defence training simulators is estimated to be over ₹15,000 Crores, and we are well-positioned to capture a significant share of this opportunity. Moreover, the global anti-drone market is projected to grow at a robust pace over the coming years, presenting a substantial export opportunity for our advanced solutions.

We are particularly excited about the export potential of our products. The growing recognition of India as a reliable defence partner has opened up new avenues for companies like ours. We have already made significant inroads into international markets, particularly in the Middle East, Africa, and CIS countries. Our recent participation in defence exhibitions in these regions has generated strong interest.

Towards Sustainable Growth

As we pursue our growth objectives, we remain steadfast in our commitment to sustainable and responsible business practices. The shift towards simulator-based training offers significant environmental benefits by reducing fuel consumption and carbon emissions associated with live training exercises. A study conducted by The Energy and Resources Institute (TERI), with the support provided by Zen Technologies, revealed that the adoption of crew gunnery simulators could lead to potential financial savings of ₹381 Crores over 30 years, while preventing the emission of 3,676 t CO_2 eq within the same timeframe. Our anti-drone systems also contribute to enhancing security while minimising environmental impact. We are actively working to conserve resources, ensure safety, and minimise energy and water consumption across our operations.

Looking ahead to FY25 and beyond, we are setting our sights on even greater heights. We have set a target of maintaining a CAGR of 50% for the subsequent three years,reflecting our confidence in continued robust growth and our commitment to delivering exceptional results.

Our growth trajectory is supported by a confluence of powerful regulatory tailwinds that are reshaping the Indian defence landscape. These include the strategic framework for increased utilisation of simulators across the three services and Indian Coast Guard, the aggressive implementation of the Buy Indian IDDM (Indigenously Designed, Developed and Manufactured) policy, the introduction of positive indigenisation lists, the transformative Agnipath Yojana, and the government's ambitious defence targets. These initiatives collectively create an unprecedented ecosystem for indigenous innovation and manufacturing in the defence sector. Looking ahead, we anticipate the emergence of positive 'black swan' events in the next 2-3 years that have the potential to catapult Zen Technologies into a new orbit of growth and innovation. These game-changing opportunities are likely to merge in both domestic and international markets, further amplifying our global footprint and technological leadership.

As we stand at this inflection point, I want to emphasise that we are merely at the beginning of our growth story. The convergence of our three decades of unwavering commitment to innovation, our robust IP portfolio, and our profound understanding of customer needs has positioned us uniquely to capitalise on the immense opportunities unfolding before us.

Our recent acquisition of a 51% stake in AiTuring Technologies further enhances our capabilities in electronic optics and robotics, particularly strengthening our counter-drone solutions. This strategic move, coupled with our existing strengths, sets the stage for exponential growth in the coming years. We are not just participants in the evolving defence technology landscape; we are poised to be the architects of its future, driving innovation, self-reliance, and excellence in defence training and security solutions.

Focus on Training and Simulation, and Counter-Drone Solutions

Training and simulation, including technical training equipment like virtual simulators and live ranges, have long been the cornerstone of our company. Recently, the armed forces have started recognising the increasing need for tactical training, which prepares soldiers for actual combat scenarios against "real" adversaries. We expect that tactical training is an area of growth for the company.

The interest in training has surged tremendously post-Ukraine war. Despite Ukraine being equipped with some of the most advanced equipment, they are still losing to forces using essentially 20th-century technology. The consensus is that competent training with older equipment is more effective than just acquiring advanced and expensive defence equipment.

As Sun Tzu stated in The Art of War, "The Art of War teaches us to rely not on the likelihood of the enemies not attacking but on our own readiness to receive him; not on the chance of his not attacking but rather on the fact that we have made our position unassailable."

Counter-drone systems have also gained prominence due to the emerging threat of drones, highlighted by their extensive use in the Armenia-Azerbaijan and Ukraine-Russia wars. With Zen betting on Anti-drone systems as early as 2018, we have been able to generate a tremendous amount of IP in this field and have a serious edge over other players. With the Government of India focusing on the Buy Indian IDDM category, we expect that this will help Zen to be the preferred supplier for Indian Armed Forces.

Fortunately, Zen is well-positioned at the intersection of training and the defensive use of counter-drone technology - two critical areas that have become focus areas for most armed forces globally.

We have also started expanding our reach further into autonomous AI robotic operations and surveillance, consistent with our goal of keeping soldiers out of harm's way.

I would like to express my heartfelt gratitude to our employees, customers, partners, and shareholders for their continued support and trust in Zen Technologies. Together, we are not just building a successful company, but contributing to a stronger, more self-reliant India.

The future is bright, and the best is yet to come. Thank you for being part of this exciting journey.

167%
Y-O-Y GROWTH IN REVENUE FROM OPERATIONS

43%
ROBUST EBITDA MARGIN IN FY24

243%
Y-O-Y GROWTH IN PAT

Yours sincerely,

Ashok Atluri
CHAIRMAN & MANAGING DIRECTOR

BOARD OF DIRECTORS

Visionaries Behind *Our Success*

Board Committee's Key

A Audit Committee
B Borrowing Committee & Investment and Finance Committee
C Corporate Social Responsibility Committee
F Fund Raising Committee
N Nomination and Remuneration Committee
R Risk Management Committee
S Stakeholder Relationship Committee

CHAIRPERSON MEMBERS

Mr. Ashok Atluri

CHAIRMAN & MANAGING DIRECTOR

A B C R S

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.

Mr. Kishore Dutt Atluri

FOUNDER, PRESIDENT & JOINT MANAGING DIRECTOR

B

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

Mr. M Ravi Kumar

WHOLE TIME DIRECTOR

B C F R

With over 21 years of experience in the software industry, Mr. M Ravi Kumar has held positions at organisations, such as the Bureau of Data Processing Services (BDPS) from 1979 to 1985, in Nova Computers Private Limited from 1986 to 1990, and as the Director at the Institute of Engineers. He is a technocrat with specialised skills in systems programming and robotics, and plays a crucial role in the design and development of the Company's range of simulators, such as Zen SATS SLR, Zen AWeSIMR, and Acts as Head of the R&D division.

Ms. Shilpa Choudari

WHOLE TIME DIRECTOR

B F

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

Dr. Ravindra Kumar Tyagi

INDEPENDENT DIRECTOR

A C N

With more than 47 years of experience, including over 15 years of Board level positions, Dr Ravindra Kumar Tyagi holds a Ph.D. in Management Studies from Agra University, an Engineering degree in Electronics & Communication from IIT Roorkee, and has a MBA in Marketing from IGNOU, New Delhi. He has also completed the Advance Leadership Course from ISB, Hyderabad. Over the course of his career, he has served in various fields like IT Networks, Setcom, Infocom, and Marketing in ONGC and rose to the position of Head Marketing and Head Air Logistics. Dr Tyagi's strengths are in organisational strategy, leadership growth/turnaround specialist, corporate governance, CSR, R&D, technology, investment and risk management. He had served as the 16th Chairman of Hindustan Aeronautics Limited and the 8th Chairman and Managing Director of Pawan Hans Helicopters Limited. Dr. Tyagi has also served as 36th President of AeSI and Chairman, Board of Governors of Malaviya NIT Jaipur & NIT Uttarakhand. Currently he is on Board of various companies and also on Board of Governors of Sri Sri University, EC – Member of RGNAU and serves as Trustee on various social organizations including AOL, FAST and Anugraha Drishtidaan. Dr. Tyagi is also a Distinguished Alumni of IIT, Roorkee and Fellow of various institutions like INAE, AeSI, IETE and IE etc.

Dr. Ajay Kumar Singh

INDEPENDENT DIRECTOR

A F N R

Dr Ajay Kumar Singh is a versatile professional with extensive experience in leadership, programme planning and designing, implementing teaching, monitoring and evaluation, including business development and consulting. He is the recipient of the prestigious 'The Rashtrapati Rover Award', and currently serves as the Associate Director at the Indian School of Business, Hyderabad. He holds a Post-Doctoral Fellowship in Social Marketing from ISB, Hyderabad, a Ph.D. from Chaudhary Charan Singh University and a MBA degree in marketing from RSMT Purvanchal University. His research expertise lies in social marketing and he has applied his research in areas, such as social entrepreneurship, branding, advertising, customer relationship management and customer centricity. He has worked with various organisations, including J P Associates (P) Limited, Crompton Greaves Limited, SIVA Institute and Apeejay School of Marketing. Furthermore, Dr Singh has designed transformation journeys for various government and public sectors and corporate organisations through focused education and training programmes. He has delivered over 1000 days of mi-career training to top organisations, including the State Bank of India, Bank of Baroda, NTPC, ONGC, IndiGo, Tata Steel, ITC, Sun Pharma, and more. He is also a member of the Academic Advisory Council of the Institute of Public Enterprise, Hyderabad, Telangana, and Honorary Academic Advisor at Capital University of Kodarma District in Jharkhand.

Mr. Sanjay Vijay Singh Jesrani

INDEPENDENT DIRECTOR

A B N R S

Mr. Sanjay Vijay Singh Jesrani holds a Bachelor's degree in Commerce and is a Fellow member of The Institute of Chartered Accountants of India (ICAI) with over 30 years of Business & Corporate experience in Finance & Strategic leadership role and is the Founder & CEO of Go North Ventures which is a proprietary angel investment firm, focused on investing in & mentoring Startups. He was the CEO and Head of the Global Delivery Center, Hitachi Consulting India and was CFO at Sierra Atlantic, India. He is a TEDx speaker and has covered new perspectives around Startups & Finance for Women and is an active member of the Indian Angel Network, the premier global group of Angel Investors – has investments in startups across the Healthcare, DeepTech, Unmanned Aerial, Sustainability, Impact, Consumer and FinTech sectors. Further, he is a Charter member at TiE, Hyderabad (The Indus Entrepreneurs), a member of the Executive Council at the IIIT Hyderabad Foundation and an Independent Director on the Board of a leading Cardiac care focused multi speciality hospital - Unimed Health (Star Hospitals)

Ms. Sirisha Chintapalli

INDEPENDENT DIRECTOR

S

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

R&D CAPABILITIES

Building the Future with *Strategic R&D Excellence*

At Zen Technologies, our unwavering commitment to driving innovation and advancing the frontiers of defence training & counter drone solutions is at the heart of our success. Our relentless focus on research and development (R&D) has resulted in a robust and diverse technological landscape, characterised by a wealth of intellectual capital that sets us apart from our competitors.

01

OUR INTELLECTUAL CAPITAL
A STRONG FOUNDATION FOR SUSTAINABLE GROWTH

The foundation of our intellectual capital is built on a comprehensive patent portfolio, carefully nurtured through years of investment in R&D. Our dedication to innovation has led to the filing of over 155 patents globally, with approximately 75 granted, providing a strong intellectual property barrier that protects our business from competition.

02

INVESTMENTS IN R&D
A LONG-TERM STRATEGY

We recognise that investments in R&D are a long-term strategy essential to our sustained growth and enhanced profitability. In line with this belief, we have consistently invested in R&D over the years, continuously expanding our product basket and technology offerings. Notably, we have chosen to expense our R&D investments rather than capitalise them, reflecting our commitment to immediate innovation. These significant contributions, while not reflected on our balance sheet, have undeniably fostered a unique competitive edge for our company.

03

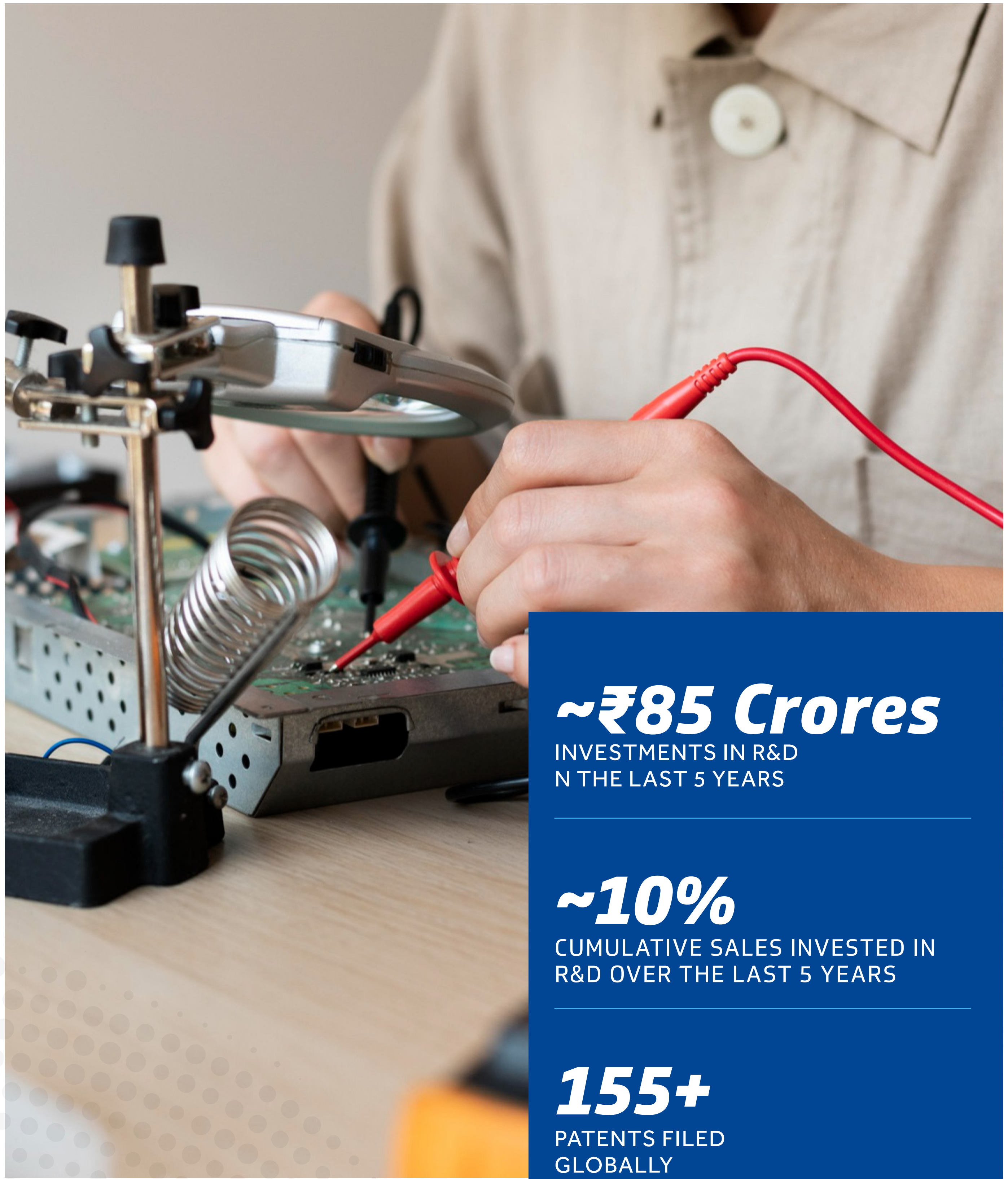
THE POWER OF IP-DRIVEN BUSINESS MODELS

One of our key strengths lies in our IP-driven business model. Our products are characterised by a bill of materials that contribute around 25-40% of the final product cost, highlighting the intrinsic value of our intellectual property. This model ensures that our profitability margins are not directly impacted by fluctuations in the cost of physical components.

04

HIGH-ENTRY BARRIERS

The substantial investments we have made in R&D throughout our company's history impose significant limitations for new entrants. These high-entry barriers create a strong competitive advantage for Zen Technologies, positioning us as a leader in the defence training solutions space.



~₹85 Crores
INVESTMENTS IN R&D
N THE LAST 5 YEARS

~10%
CUMULATIVE SALES INVESTED IN R&D OVER THE LAST 5 YEARS

155+
PATENTS FILED GLOBALLY

STRATEGIC FOCUS AREAS

Strategic Priorities *Shaping our Future*

At Zen Technologies, our strategic focus areas are designed to drive innovation, enhance our market position, and deliver sustainable growth. By leveraging our strengths, prioritising key initiatives, and capitalising on growth drivers, we are well-positioned to navigate the evolving defence landscape and achieve our long-term objectives. Here are the strategic focus areas that will guide us in FY24 and beyond.

STRATEGIC FOCUS AREAS

STRENGTHENING R&D CAPABILITIES

Our unwavering commitment to research and development remains at the core of our strategic focus. By continuously investing in R&D, we aim to drive innovation, expand our product portfolio, and maintain our competitive edge. Our robust patent portfolio, with over 155 global patents filed and approximately 75 granted, underscores our dedication to technological advancement.

EXPANDING PRODUCT PORTFOLIO

We are committed to diversifying our product offerings to meet the evolving needs of the defence sector. Our recent launches, including Hawkeye, Barbarik-URCWS, Prahasta, and Sthir Stab 640, exemplify our focus on delivering cutting-edge solutions that enhance tactical superiority and operational efficiency.

LEVERAGING INTELLECTUAL PROPERTY

Our IP-driven business model is a key strength that differentiates us from our competitors. By focusing on intellectual property rather than physical components, we ensure that our profitability margins are not directly impacted by fluctuations in the cost of materials. This approach also creates high entry barriers for new entrants, reinforcing our market leadership.

ENHANCING EXPORT POTENTIAL

The growing recognition of India as a reliable defence partner presents significant export opportunities. We are actively working to expand our international footprint, particularly in the Middle East, Africa, and CIS countries. Our participation in global defence exhibitions has generated strong interest and potential collaborations, positioning us for sustained growth in the export market.

CAPITALISING ON REGULATORY TAILWINDS

We are well-positioned to benefit from favourable government policies, including the aggressive implementation of the Buy Indian IDDM policy, positive indigenisation lists, and the Agnipath Yojana. These initiatives create an unprecedented ecosystem for indigenous innovation and manufacturing in the defence sector.

SCALING UP PRODUCTION AND SUPPLY CHAIN

Our asset-light business model, which involves outsourcing significant production while maintaining final assembly and integration in-house, has enabled us to scale efficiently. We are expanding our production facilities and enhancing our supply chain capabilities to support our growth trajectory.

FOCUSING ON TRAINING AND SIMULATION

Training and simulation, including virtual simulators and live ranges, have long been the cornerstone of our company. The increasing need for tactical training, which prepares soldiers for actual combat scenarios, presents a significant growth opportunity. The surge in interest post-Ukraine war underscores the importance of competent training with existing equipment.

ADVANCING COUNTER-DRONE SOLUTIONS

The emerging threat of drones has highlighted the critical need for advanced counter-drone systems. Our early investment in anti-drone technology has positioned us as a leader in this field. With the Government of India's focus on the Buy Indian IDDM category, we expect to be the preferred supplier for the Indian Armed Forces.

SUSTAINABILITY INITIATIVES

Forging a Greener Future in ***Defence Technology***

At Zen Technologies, we recognise that our commitment to innovation and excellence must extend beyond our products to encompass environmental stewardship and social responsibility. Our sustainability initiatives are integral to our business strategy, reflecting our dedication to creating long-term value for all stakeholders whilst minimising our environmental footprint. Through innovative solutions and responsible practices, we are pioneering a sustainable approach to defence technology.

Zen Technologies' sustainability strategy is built on three key pillars: environmental stewardship, social responsibility, and sustainable innovation. Our efforts in environmental stewardship focus on reducing our carbon footprint, conserving resources, and minimising waste across our operations. We have implemented energy-efficient technologies and practices, resulting in a significant reduction in our energy intensity.

Our commitment to social responsibility is reflected in our inclusive workplace policies, community engagement initiatives, and emphasis on employee well-being.

Sustainable innovation is at the heart of our product development strategy. Our simulators and training systems offer significant environmental benefits by reducing fuel consumption and carbon emissions associated with live training exercises. A study conducted by The Energy and Resources Institute (TERI) with the support of Zen Technologies revealed that the adoption of crew gunnery simulators could lead to potential financial savings of ₹381 Crores over 30 years, while preventing the emission of 3,676 t CO_2 eq within the same timeframe.

We are also committed to responsible supply chain management, with 89.82% of our suppliers based within India and 64.00% in Hyderabad, supporting local economic development. Our sustainability efforts extend to waste management, water conservation, and biodiversity protection, with initiatives such as tree planting at our manufacturing facilities.

Looking ahead, we are setting ambitious targets to further reduce our environmental impact, enhance our social initiatives, and drive sustainable innovation in the defence sector. We believe that by integrating sustainability into every aspect of our business, we can create lasting value for our stakeholders while contributing to a more sustainable future.

MD&A

Management *Discussion and Analysis*

Global Economy

The global economy demonstrated remarkable resilience in FY24, navigating through a complex landscape of challenges and opportunities. Despite initial concerns about persistent inflation and geopolitical tensions, the world economy managed to achieve moderate growth, with global GDP expanding by an estimated 3.1% in FY24, according to the International Monetary Fund (IMF).

Advanced economies exhibited a mixed performance, with the United States showing robust growth of 2.1%, driven by strong consumer spending and a resilient labour market. The Eurozone, however, experienced more modest growth of 0.9%, grappling with energy price volatility and manufacturing sector weakness. Japan's economy grew by 1.4%, benefiting from a rebound in tourism and exports.

Emerging markets and developing economies continued to be the primary engines of global growth, with China's economy expanding by 5.2% despite challenges in its property sector. India maintained its position as one of the fastest-growing major economies, with GDP growth of 6.3% in FY24.

Looking ahead, the global economic outlook for FY25 and beyond remains cautiously optimistic. The IMF projects global growth to strengthen slightly to 3.2% in 2024-25, with a gradual acceleration to 3.5% by 2026-27. This outlook is predicated on the assumption of continued monetary policy tightening to combat inflation, gradual resolution of supply chain disruptions, and the absence of major geopolitical shocks.

Global Defence Industry

The global defence industry demonstrated robust growth in FY24, driven by increased geopolitical tensions, technological advancements, and a renewed focus on military modernisation across various regions. According to a report by Deloitte, the global defence market reached a value of approximately $2.1 trillion in FY24, representing a year-on-year growth of 3.8%.

SEVERAL KEY FACTORS CONTRIBUTED TO THIS GROWTH

- ***Heightened geopolitical tensions:*** Ongoing conflicts in Ukraine and the Middle East, as well as rising tensions in the Indo-Pacific region, have prompted many countries to increase their defence budgets and accelerate military modernisation programmes.
- ***Technological advancements:*** The rapid pace of innovation in areas such as artificial intelligence, unmanned systems, hypersonic weapons, and cyber warfare has driven investment in next-generation defence capabilities.
- ***Focus on interoperability and joint operations:*** Many countries are prioritising the development of integrated, network-centric warfare capabilities, driving demand for advanced command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) systems.
- ***Shift towards indigenous defence production:*** Several countries, including India, are emphasising self-reliance in defence manufacturing, creating opportunities for domestic defence industries and strategic partnerships with foreign companies.
- ***Growing importance of space and cyber domains:*** Increased recognition of space and cyberspace as critical warfighting domains has led to greater investment in related technologies and capabilities.

MD&A

KEY TRENDS AND OUTLOOK

Looking ahead, the global defence industry is poised for continued growth, with several key trends shaping its future:

- ***Increased focus on multi-domain operations:*** Armed forces worldwide are prioritising the development of capabilities that enable seamless operations across land, air, sea, space, and cyberspace.
- ***Rise of autonomous and unmanned systems:*** The adoption of unmanned aerial vehicles (UAVs), autonomous ground vehicles, and unmanned underwater vehicles (UUVs) is expected to accelerate, driven by their cost-effectiveness and reduced risk to human personnel.
- ***Emphasis on electronic warfare and directed energy weapons:*** Growing investment in electronic warfare capabilities and directed energy weapons is anticipated, as militaries seek to gain an edge in the electromagnetic spectrum.
- ***Adoption of artificial intelligence and machine learning:*** AI and ML technologies are increasingly being integrated into various defence applications, from predictive maintenance to autonomous decision-making systems.
- ***Focus on sustainability and green technologies:*** Growing environmental concerns are driving the defence industry to invest in sustainable technologies, including alternative fuels and energy-efficient systems.
- ***Increased importance of simulation and training systems:*** As military operations become more complex and expensive, there is a growing demand for advanced simulation and training systems to enhance readiness while reducing costs and environmental impact.

Market forecasts suggest that the global defence industry will continue to grow at a CAGR of 3.5-4% over the next five years, reaching a value of approximately $2.5 trillion by 2028-29, according to a report by MarketsandMarkets.

Indian Economy

The Indian economy demonstrated remarkable resilience and growth in FY24, emerging as one of the fastest-growing major economies globally. According to the Reserve Bank of India (RBI), India's GDP grew by 7.2% in FY24, surpassing earlier projections. This robust performance was driven by strong domestic demand, a resurgent manufacturing sector, and continued momentum in services.

KEY FACTORS CONTRIBUTING TO THIS GROWTH INCLUDE

- ***Infrastructure push:*** The government's focus on infrastructure development, particularly through initiatives like the National Infrastructure Pipeline, boosted economic activity and job creation.
- ***Digital transformation:*** Rapid digitalization across sectors enhanced productivity and opened new avenues for growth, particularly in fintech, e-commerce, and digital services.
- ***Manufacturing revival:*** The Production Linked Incentive (PLI) scheme attracted significant investments in manufacturing, supporting the 'Make in India' initiative.
- ***Services sector strength:*** IT, financial services, and tourism showed strong recovery, contributing significantly to overall growth.
- ***Domestic consumption:*** Rising middle-class incomes and urbanisation fueled consumer spending, a key driver of economic growth.

Looking ahead, the RBI projects India's GDP growth to moderate slightly to 6.8% in FY25, still maintaining its position as a global growth leader. This outlook is supported by continued structural reforms, favourable demographics, and increasing integration into global value chains.

However, challenges remain, including inflationary pressures, global economic uncertainties, and the need for job creation to match the growing workforce. The government's focus on fiscal consolidation, while maintaining growth-supportive policies, will be crucial in navigating these challenges and sustaining India's economic momentum.

Indian Defence Industry

The Indian defence industry has undergone a significant transformation in recent years, driven by the government's push for self-reliance in defence manufacturing and modernization of the armed forces. This shift has created unprecedented opportunities for domestic players and foreign investors alike, positioning India as an emerging defence manufacturing hub.

GOVERNMENT INITIATIVES AND POLICY FRAMEWORK:

Atmanirbhar Bharat and Make in India: These flagship initiatives aim to reduce dependence on imports and promote indigenous defence manufacturing. The Defence Acquisition Procedure (DAP) 2020 introduced the Indigenously Designed, Developed, and Manufactured (IDDM) category, prioritising procurement from Indian vendors.

Defence Production and Export Promotion Policy (DPEPP) 2020: This policy aims to achieve a turnover of $25 Billions in defence manufacturing by 2025, including $5 Billions in defence exports. It focuses on enhancing self-reliance, promoting exports, and creating a robust defence industrial base.

Strategic Partnership Model: This model encourages collaboration between Indian private sector companies and foreign Original Equipment Manufacturers (OEMs) to establish manufacturing capabilities in India.

Positive Indigenisation List: The government has notified four positive indigenisation lists, comprising 411 items that will be procured only from domestic industry, providing a significant boost to indigenous manufacturing.

Defence Industrial Corridors: Two defence industrial corridors in Uttar Pradesh and Tamil Nadu are being developed to foster an ecosystem of defence manufacturing and innovation.

BUDGET ALLOCATIONS AND MARKET SIZE

The Indian government has significantly increased its defence budget to support modernisation and capability enhancement. In the Union Budget 2024-25, the defence allocation was ₹6.21 Lakh Crores ($74.9 Billions), representing a 13% increase over the previous year. This includes ₹1.72 Lakh Crores ($20.7 Billions) for capital outlay, aimed at acquiring new weapons, platforms, and infrastructure development.

The overall Indian defence market is estimated to reach $70 Billions by 2030, driven by the government's focus on modernisation and indigenization. The domestic defence production is projected to exceed $25 Billions by 2025, creating significant opportunities for both public and private sector players.

EXPORT OPPORTUNITIES

India's defence exports have witnessed substantial growth, driven by the government's focus on promoting exports and establishing India as a global defence manufacturing hub. According to the Ministry of Defence, India's defence exports reached an all-time high of ₹15,920 Crores ($1.95 Billions) in FY24, marking a 54% increase over the previous year.

Key export markets include Southeast Asia, the Middle East, and Africa. The government has set an ambitious target of achieving $5 Billions in defence exports by 2025, supported by policy measures such as simplified export procedures, lines of credit for foreign countries, and marketing support to domestic companies.

KEY TRENDS

- ***Shift to Simulator-Based Training:*** The Indian armed forces are increasingly adopting simulator-based training to enhance operational readiness while reducing costs and environmental impact. This trend is creating opportunities for companies specialising in advanced simulation technologies.
- ***Rise of Anti-Drone Systems:*** The proliferation of drones has emerged as a significant security threat, necessitating the development of advanced anti-drone systems. This has led to increased investment and innovation in counter-drone technologies.
- ***Artificial Intelligence and Robotics:*** The integration of AI and robotics in defence applications is gaining traction, with focus areas including autonomous systems, predictive maintenance, and decision support systems.
- ***Cybersecurity and Electronic Warfare:*** With the increasing digitisation of warfare, there is a growing emphasis on developing robust cybersecurity solutions and advanced electronic warfare capabilities.
- ***Space and Satellite Technologies:*** The defence sector is witnessing increased focus on space-based assets and satellite technologies for communication, surveillance, and navigation purposes.

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CHALLENGES AND OPPORTUNITIES

While the Indian defence industry is on a growth trajectory, it faces challenges such as long procurement cycles, need for increased R&D investment, and competition from established global players. However, these challenges also present opportunities for innovation, collaboration, and strategic partnerships.

The industry's future growth will be driven by factors such as:

- *Continued government support for indigenous manufacturing*
- *Increasing private sector participation*
- *Focus on exports and global partnerships*
- *Adoption of emerging technologies*
- *Emphasis on R&D and innovation*

The Indian defence industry is at an inflection point, poised for significant growth and transformation. The government's push for self-reliance, coupled with increasing defence budgets and export opportunities, creates a conducive environment for both domestic and international players to contribute to India's defence manufacturing ecosystem.

The Increasing Role of Simulator-Based Training in Armed Forces

The adoption of simulator-based training in armed forces worldwide is gaining significant momentum, driven by advancements in technology, cost-effectiveness, and the need for enhanced combat readiness. This shift is transforming military training paradigms, offering numerous benefits over traditional training methods.

TECHNOLOGICAL ADVANCEMENTS AND INTEGRATION

One of the primary drivers of the increasing role of simulator-based training is the rapid advancement in simulation technologies. Modern simulators incorporate cutting-edge technologies such as virtual reality (VR), augmented reality (AR), and mixed reality (MR), providing highly immersive and realistic training environments. According to a report by MarketsandMarkets, the global military simulation and training market is projected to reach USD 21.94 Billions by 2033, growing at a CAGR of 4.91% from 2023 to 2033.

These technologies enable trainees to experience a wide range of scenarios, from basic drills to complex combat operations, without the risks associated with live training. For instance, VR headsets can simulate battlefield conditions, allowing soldiers to practise manoeuvres and tactics in a controlled environment.

COST-EFFECTIVENESS AND RESOURCE EFFICIENCY

Simulator-based training offers significant cost savings compared to traditional live training exercises. Live training involves substantial expenses related to fuel, ammunition, maintenance, and wear and tear on equipment. In contrast, simulators require only the initial investment and periodic updates, making them a more economical option in the long run.

A study conducted by The Energy and Resources Institute (TERI) with the support provided by Zen Technologies revealed that the adoption of crew gunnery simulators could lead to potential financial savings of ₹381 Crores over 30 years, while preventing the emission of 3,676 t CO_2 eq within the same timeframe.

ENHANCED TRAINING EFFECTIVENESS

Simulator-based training provides a safe and controlled environment where soldiers can repeatedly practise and refine their skills. This repetitive practice is crucial for muscle memory development and proficiency in complex tasks. Moreover, simulators replicate a wide range of scenarios, including rare and extreme conditions that may be difficult or dangerous to recreate in live training.

The use of data analytics and artificial intelligence (AI) in simulators further enhances training effectiveness. Real-time monitoring and feedback allow for immediate correction of mistakes, while data analytics can identify patterns and areas for improvement. This data-driven approach ensures that training is tailored to individual needs, maximising learning outcomes.

FLEXIBILITY AND ACCESSIBILITY

Simulators offer unparalleled flexibility in training schedules and locations. Unlike live training, which requires specific terrains and conditions, simulators can be used anytime and anywhere. This flexibility is particularly beneficial for armed forces with diverse geographical deployments.

Additionally, simulators can be used to train multiple units simultaneously, ensuring that all personnel receive consistent and standardised training. This scalability is essential for large military organisations aiming to maintain a high level of readiness across all units.

ENVIRONMENTAL AND SAFETY BENEFITS

Simulator-based training significantly reduces the environmental impact associated with live training exercises. Traditional training often involves the use of live ammunition and heavy machinery, leading to pollution and habitat destruction. Simulators eliminate these issues, providing a more sustainable training solution. Safety is another critical advantage of simulators. Live training exercises carry inherent risks of injury or death, particularly in high-stress combat scenarios. Simulators allow soldiers to train in a risk-free environment, ensuring their safety while still providing realistic and challenging experiences.

GLOBAL ADOPTION

Several countries have already recognised the benefits of simulator-based training and are investing heavily in this technology. The United States Department of Defense has integrated advanced simulators into its training programs, focusing on VR and AR technologies to enhance soldier readiness.

Similarly, the Indian Army has adopted simulator-based training for various applications, including tank gunnery, flight simulation, and anti-drone operations. In the Asia-Pacific region, which is expected to be the fastest-growing market for military simulation and training, countries like China, Japan, and South Korea are also making significant investments in simulation technologies. These investments are driven by the need to modernise their armed forces and improve combat readiness in response to evolving security threats.

FUTURE OUTLOOK

The future of simulator-based training in armed forces looks promising, with continued advancements in technology and increasing recognition of its benefits. **Key trends shaping the future of military simulation include:**

Mixed-Reality Training: The integration of VR, AR, and MR technologies will create more immersive and realistic training environments.

AI and Data Analytics: The use of AI and data analytics will enhance training effectiveness by providing personalised feedback and identifying areas for improvement.

Real-Time Monitoring: Advanced monitoring systems will enable real-time assessment of trainee performance, ensuring immediate correction of mistakes.

Cost-Effective Solutions: The focus on cost-effective training solutions will drive the adoption of simulators, reducing the financial burden of live training exercises.

Sustainability: The environmental benefits of simulators will align with global efforts to reduce carbon footprints and promote sustainable practices.

Big Opportunity in Counter-Drone Technologies

The proliferation of unmanned aerial vehicles (UAVs) or drones has emerged as a significant security challenge globally, creating a pressing need for effective counter-drone solutions. This trend has opened up substantial opportunities for companies like Zen Technologies that specialise in counter-drone technologies.

According to a report by Global Market Insights, the counter-drone market was valued at approximately USD 1.9 Billions in 2023, with a strong growth forecast reaching USD 15.3 Billions by 2032 at a CAGR of 26%. This rapid growth is driven by the increasing incidents of security breaches by unidentified drones and the rising adoption of counter-drone measures by defence organisations worldwide.

In India, the counter-drone market is experiencing significant growth, driven by government initiatives and increasing security concerns. This growth is supported by the government's focus on indigenous defence production and the increasing adoption of drones across various sectors.

Recent geopolitical events have further underscored the urgency of developing robust counter-drone capabilities. The ongoing conflict in Ukraine has demonstrated the strategic importance of drones in modern warfare, with both sides extensively using UAVs for reconnaissance and offensive operations. According to a report by the Royal United Services Institute (RUSI), the widespread use of drones in this conflict has ***"fundamentally changed the nature of warfare"***.

About the Company

Zen Technologies Limited, founded in 1993, is a leading provider of defence training & counter drone solutions and anti-drone systems. Headquartered in Hyderabad, India, the company has established itself as a pioneer in the development of advanced simulators and counter-drone technologies. Zen Technologies' mission is to enhance the combat readiness of armed forces through innovative, cost-effective, and sustainable training solutions. The company's product portfolio includes a wide range of simulators, such as tank, driving, gunnery, and flight simulators, as well as comprehensive anti-drone systems designed to detect, track, and neutralise hostile drones.

Zen Technologies has a strong focus on research and development (R&D), with over 75 patents granted to date. The company's commitment to innovation is reflected in its continuous investment in R&D, which has enabled it to develop cutting-edge technologies that meet the evolving needs of defence forces globally. Zen Technologies' products are indigenously designed and developed, aligning with the Indian government's 'Make in India' and 'Atmanirbhar Bharat' initiatives, which aim to promote self-reliance in defence manufacturing.

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Financial Performance

The company achieved a revenue of ₹430 Crores, representing a remarkable year-on-year growth of 167%. This robust performance was driven by strong demand for both simulators and anti-drone systems, as well as the successful execution of large orders.

Zen Technologies' EBITDA for FY24 stood at ₹191 Crores, with an impressive EBITDA margin of 43%. This strong margin reflects the scalability and efficiency of the company's operations, underpinned by its asset-light business model. The company's focus on intellectual property creation, rather than capital-intensive manufacturing, has enabled it to maintain high profitability even as it scales up operations.

The company achieved a record revenue of ₹430 Crores, representing a year-on-year growth of 167%. EBITDA margins remained healthy at 43%. The profit after tax (PAT) stood at ₹129 Crores, recording a 243% growth over the previous year. This strong performance resulted from the operating leverage built into the business model. The company's asset-light model, focused on intellectual property creation rather than capital-intensive manufacturing, allowed it to maintain high profitability even as it grew rapidly.

Zen Technologies' order book as of March 31, 2024, stood at an all-time high of more than ~₹1,402 Crores, providing strong visibility for future growth. The order book includes significant orders in both the simulator and anti-drone segments, with a healthy mix of domestic and export orders. The export component of the order book now stands at approximately 31%, reflecting the growing global recognition of Zen Technologies' products.

POSITIONING OF THE COMPANY AND OUTLOOK

Zen Technologies is strategically positioned to capitalise on the growing opportunities in the defence training and counter-drone markets. The company's strong focus on R&D and innovation has enabled it to develop a diverse portfolio of advanced simulators and anti-drone systems, which are highly relevant in the current geopolitical context.

The Indian government's emphasis on self-reliance in defence manufacturing, through initiatives such as 'Make in India' and 'Atmanirbhar Bharat', has created a conducive environment for companies like Zen Technologies. The introduction of the Indigenously Designed, Developed, and Manufactured (IDDM) category in the Defence Acquisition Procedure (DAP) 2020 has further strengthened the company's competitive position, prioritising procurement from Indian vendors with indigenous content.

The shift towards simulator-based training in the armed forces is another key trend that Zen Technologies is well-positioned to benefit from. The company's advanced simulation technologies provide a safe, cost-effective, and environmentally friendly alternative to traditional live training exercises. This trend is expected to drive significant demand for Zen Technologies' simulators in the coming years.

The increasing threat of drones and the need for effective counter-drone solutions present another significant opportunity for Zen Technologies. The company's cutting-edge anti-drone systems are designed to detect, track, and neutralise hostile drones, addressing a critical security challenge. Zen Technologies' strong focus on R&D and its growing portfolio of patents underscore its commitment to maintaining a leadership position in this rapidly evolving market.

Looking ahead, Zen Technologies is well-positioned to continue its growth trajectory, driven by strong industry tailwinds, a robust order book, and a focus on innovation and sustainability. The company has set an ambitious target of achieving significant growth in revenue for FY25.

Risks and Mitigation

RISKS	DESCRIPTION	MITIGATION STRATEGY
COMPETITIVE RISK	Escalating competition and aggressive pricing strategies by international competitors may threaten Zen Technologies' market share in India. These firms might significantly drop their prices to secure a larger market share.	Zen Technologies continually strives to offer superior quality products and innovative solutions, enhancing its value proposition. The company also leverages its strong, long-term relationships with clients, focusing on their specific needs and requirements.
MACROECONOMIC RISK	Unfavourable macroeconomic conditions, such as a pandemic, could pose a risk to the company. In such circumstances, governments may shift their focus to immediate concerns and possibly deprioritise defence training.	Zen Technologies maintains a flexible business model, enabling it to adapt to changing macroeconomic conditions. Furthermore, diversification into new geographies helps mitigate this risk.
CLIENT COMMITMENT RISK	Much of Zen Technologies' simulator production is based on specific client feedback, with no guaranteed purchase of the end product. This scenario places the company at substantial financial risk.	Zen Technologies ensures clear and upfront agreements with clients, focusing on client engagement and maintaining transparent communication about product and service expectations and terms.
BIDDING RISK	The standard governmental policy of procurement from the lowest bidder could pose a threat to Zen Technologies. Occasionally, other vendors, having already amortised their development costs, can offer cheaper solutions due to their larger capacity.	Zen Technologies maintains a relentless focus on cost-efficiency and innovation in its operations, enabling it to compete effectively even in a low-bid scenario.
SUPPLY CHAIN DISRUPTION RISK	Disruptions in the supply chain can lead to production delays, increased costs, and customer dissatisfaction.	Zen Technologies maintains a diversified supplier base, conducts regular risk assessments, and establishes contingency plans to mitigate supply chain disruptions. Collaborative relationships with suppliers and real-time monitoring also contribute to timely responses to potential disruptions.
TECHNOLOGICAL OBSOLESCENCE RISK	Rapid advancements in technology could render Zen Technologies' products obsolete, impacting its market position and profitability.	The company invests heavily in R&D to stay ahead of technological trends and continuously innovate its product offerings. Regularly updating and upgrading products ensures they remain relevant and competitive.
CYBERSECURITY AND DATA PRIVACY RISK	As a technology company dealing with sensitive data, the risk of cybersecurity breaches and data privacy violations can lead to legal liabilities, reputational damage, and financial losses.	Zen Technologies implements robust cybersecurity measures, conducts regular security audits, and complies with data protection regulations to safeguard against cybersecurity threats and data breaches.
TALENT ACQUISITION AND RETENTION RISK	Attracting and retaining skilled and talented employees is crucial for the company's growth and success. High employee turnover can lead to increased recruitment costs and loss of valuable expertise.	Zen Technologies offers competitive compensation packages, career development opportunities, and fosters a positive work culture to attract and retain top talent.

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Key Financial Ratios

PARTICULARS	FY24	FY23	% CHANGE	REMARKS
CURRENT RATIO	**2.26**	2.33	-3.14%	-
DEBT EQUITY RATIO	**-**	0.02	-100%	Reduction in Debt and Increase in shareholder's equity
DEBT SERVICE COVERAGE RATIO	**23.28**	6.13	279.67%	Due to repayment of borrowings related to debt component of Compulsory Convertible Debentures (CCD's) which were issued during the FY 2021-22, there is a decrease in Debt service coverage ratio in current year.
RETURN ON EQUITY	**33.47%**	12.32%	171.59%	Improved due to increase in PAT on account of increase in Revenue from operations, relatively lower fixed overheads
INVENTORY TURNOVER RATIO	**1.57**	1.48	6.46%	-
TRADE RECEIVABLES TURNOVER RATIO	**3.66**	3.77	-2.93%	-
TRADE PAYABLES TURNOVER RATIO	**20.27**	32.79	-38.18%	During the year, there has been a significant increase in average trade payables and with higher sales, material consumption for the year has also increased resulting into an decrease in the trade payable turnover ratio.
NET CAPITAL TURNOVER RATIO	**1.34**	0.97	38.20%	Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.
NET PROFIT RATIO	**30.04%**	23.31%	28.83%	Due to new orders, favourable market conditions which resultant to increase in revenue from operations with better operation performance leads to increase in net profits during the year.
RETURN ON CAPITAL EMPLOYED	**40.03**	17.33	131.06%	Due to increase in profit before interest and tax during the year because of revenue is recognised after performing obligations under contracts.

Human Resource Development and Industrial Relations

At Zen Technologies, we firmly believe that our employees are central to our accomplishments and progress. Throughout FY24, we have steadfastly invested in the skill enhancement of our workforce through a myriad of training programmes and workshops, paving the way for their professional development. Alongside this, we have been proactive in attracting and preserving top talent within our ranks.

Throughout the year, we have maintained productive and collaborative relationships with diverse stakeholders, such as suppliers, partners, customers, and of course, our own team members. As of March 31, 2024, we had a workforce of over 342 individuals.

Internal Control Systems and Their Adequacy

At Zen Technologies, we have established a comprehensive system of internal controls, tailored to align with the size and scope of our operations. We've laid down a clear organisational structure with defined delegations of authority across our corporate functions. These are supported by documented policies and procedures that highlight our objectives and operational benchmarks.

Our internal controls are structured to provide reasonable assurance of operational effectiveness and efficiency, safeguard our assets from unauthorised use or losses, ensure the reliability of financial controls, and maintain compliance with applicable laws and regulations.

The Audit Committee, consisting of Zen Technologies' Board of Directors, regularly monitors the adequacy of the internal control systems. They do this by consistently reviewing audit findings and supervising the implementation of internal audit recommendations. A summary of the critical elements of the internal controls includes routine reviews by the Audit Committee comprising Independent Directors, regular examinations by an independent internal audit team, and continuous reiteration of Zen Technologies' Code of Conduct across the organisation.

The Board is responsible for the overall process of risk management for the Company. In FY24, we evaluated the effectiveness of our internal financial control over financial reporting and have instituted adequate internal financial controls with reference to financial statements, commensurate with the size, scale, and complexity of our operations. During the year, such controls were tested, and no reportable material weaknesses in design or operation were observed.

Cautionary Statement

The assertions presented in this section outline the Company's objectives, projections, expectations, and estimations, which might be construed as 'forward-looking statements' under the applicable Securities Laws and Regulations. Such forward-looking statements are constructed upon certain presumptions and projections of forthcoming circumstances. The Company cannot assure that these presumptions and projections accurately reflect future outcomes.

The actual results could significantly deviate from those mentioned or suggested in the statements due to the impact of external factors that are beyond the Company's control. The Company is not obligated to make public alterations, adjustments, or revisions to any forward-looking statements based on the occurrence of any later developments, information, or events.

Corporate Information

CIN
L72200TG1993PLC015939

BOARD OF DIRECTORS
Mr. Ashok Atluri
(DIN: 00056050)
Chairman and Managing Director

Mr. Kishore Dutt Atluri
(DIN: 09691242)
President and Joint Managing Director

Mr Ravi Kumar Midathala
(DIN: 00089921)
Whole Time Director

Ms. Shilpa Choudari
(DIN: 06646539)
Whole Time Director

Dr. Ravindra Kumar Tyagi
(DIN: 01509031)
Independent Director

Dr. Ajay Kumar Singh
(DIN: 08532830)
Independent Director

Mr. Sanjay Vijay Singh Jesrani
(DIN: 02306916)
Independent Director

Ms. Sirisha Chintapalli
(DIN: 08407008)
Independent Director

CHIEF FINANCIAL OFFICER
Mr. Afzal Harunbhai Malkani

COMPANY SECRETARY
CS Movva Raghavendra Prasad

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 Develpoment Centre)
D.No: 2-91/77/2/ST/11&12,
Signature Towers, Opp Botanical Gardens,
Kondapur, Serilingampally,
Hyderabad, Telangana,
India - 500084

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
Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Hyderabad

SECRETARIAL AUDITORS (For FY 2023-24)
Mr. D. S. Rao (ACS no. 12394/CP no. 14487)
Company Secretary in Practice
Hyderabad

INTERNAL AUDITORS
NSVR & Associates LLP
Chartered Accountants

Hyderabad

BANKER
HDFC Bank Limited

Indian Bank

Axis Bank Limited

Export Import Bank of India

ICICI Bank Limited

Bajaj Finance Limited

REGISTRAR AND SHARE TRANSFER AGENTS
KFin Technologies Limited
Unit: Zen Technologies Limited

Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad – 500 032
Telangana, India
Toll free number - 1800-309-4001
Email id: einward.ris@kfintech.com

LISTED WITH
BSE Limited, Mumbai (BSE)
National Stock Exchange of India Limited, Mumbai (NSE)

Notice

Notice is hereby given that the 31st Annual General Meeting (AGM) of the members of Zen Technologies Limited (CIN: L72200TG1993PLC015939) ("the Company") will be held on Saturday, September 14, 2024, at 11:00 a.m. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business(s):

ORDINARY BUSINESS:

Item No.1: Adoption of financial statements:

To receive, consider, approve and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024, and the Reports of the Board and Auditors thereon and in this regard, pass the following resolution as **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Section 134 and other applicable provisions of the Companies Act, 2013, and rules made thereunder the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2024, and the reports of the Board of Directors and auditors thereon be and are hereby received, considered, approved and adopted."

Item No.2: Declaration of dividend on the equity shares:

To declare Dividend on equity shares for the financial year ended March 31, 2024, and in this regard, pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** dividend at the rate of 100% i.e. ₹ 1/- (one rupee only) per equity share of ₹ 1/- (one rupee) each for the financial year ended March 31, 2024, be and is hereby approved and declared."

Item No.3: Re-appointment of a director:

To appoint a director in place of Mr. Kishore dutt Atluri, 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 of the Companies Act, 2013, Mr. Kishore Dutt Atluri (DIN: 09691242), who retires by rotation at the 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."

Item No.4: Re-appointment of statutory auditors for the second term of five years:

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 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants (ICAI Firm Registration No. 010396S/S200084) be and are hereby re-appointed as the statutory auditors of Company to hold office for second term of 5 (five) years from the conclusion of this annual general meeting (AGM) till the conclusion of the 36th AGM to be held in the calendar year 2029, at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the statutory auditors from time to time."

SPECIAL BUSINESS:

Item No.5: Related Party Transactions with Unistring Tech Solutions Private Limited:

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

"**RESOLVED THAT** in supersession to the earlier resolution passed by the shareholders on September 29, 2022, and pursuant to Section 188 of the Companies Act, 2013, and rules made thereunder ("the Act"), the provisions of Regulations 2(1)(zc), 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Company's policy on the related party transactions, approval of the members of the Company be and is hereby accorded to the Board of Directors ("the Board") for entering into contract/arrangement/transactions with Unistring Tech Solutions Private Limited (UTS), one of the subsidiary companies of the Company, upto an aggregate value not exceeding ₹ 1,000 Crores (one thousand Crores only), as detailed below on such terms and conditions as the Board may deem fit in each financial year commencing from FY 2024-25, onwards, provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business.

Sr. No.	Particulars	Limits upto
1.	Purchase of products, materials, equipment(s), goods, components or sub-components or availing of services	₹ 900 Crores
2.	Sale or supply of products, materials, equipment(s), goods, components or sub-components or rendering of services	₹ 75 Crores
3.	Any other transaction(s) for transfer of resources, services or obligations and other reimbursements or obligations	₹ 25 Crores

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to decide upon the nature and value of products, materials, equipment(s), goods or services and any other transactions to be transacted with UTS within the aforesaid limits and to sign, execute, alter and/or negotiate all such deeds, agreements, contracts, transactions, applications, documents, papers, forms and writings that may be required, for and on behalf of the Company and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion to give effect to this Resolution and for resolving all such issues, questions, difficulties or doubts whatsoever that may arise in this regard.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer, Company Secretary or any other Officer(s)/Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s) and all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

Item No.6: Ratification of remuneration payable to Cost Auditors for the financial year 2024-25:

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 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 Company hereby ratifies the remuneration of ₹ 1,00,000/- (Rupees One Lakhs only) plus out of pocket expenses and applicable taxes thereon, payable to M/s. M P R & Associates., Cost Accountants (Firm Reg No: 000413) Hyderabad, who have been appointed by the Board of Directors on the recommendation of the Audit Committee of Directors as the Cost Auditors of the Company to conduct the audit of cost records being maintained by the Company in respect of the Company's products for the financial year 2024-25."

By Order of the Board
For Zen Technologies Limited

M. Raghavendra Prasad
Company Secretary and Compliance Officer
M. no.: A41798

Date: July 28, 2024
Place: Hyderabad

Notes:

1. The explanatory statement in respect of the special business in the notice, pursuant to Section 102 of the Companies Act, 2013, is annexed hereto.

2. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021, December 28, 2022 and September 25, 2023 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the Listing Regulations. In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 31st AGM of the Company is being conducted through VC/OAVM facility, without the physical presence of Members at a common venue. Accordingly, the deemed venue for the 31st AGM shall be the Registered Office of the Company and since the AGM will be held through VC/OAVM, the route map is not annexed in this notice.

3. KFin Technologies Limited (KFin) will provide the facility for voting through remote e-Voting, for participation in the 31st AGM through VC/OAVM and e-Voting during the AGM.

4. Pursuant to MCA and SEBI Circulars the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-Voting.

5. The register of members and share transfer books will remain closed from Saturday, September 7, 2024 to Saturday, September 14, 2024 (both days inclusive) in connection with the AGM.

6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice. The facility of participation in the AGM through VC/OAVM will be made available for 2,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the audit committee, Nomination and remuneration committee and stakeholders relationship committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. In compliance with the MCA and SEBI Circulars notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those members whose email

addresses are registered with the Company/Depositories. Members may note that the notice and Annual Report 2023-24 will also be available on the Company's website at https://www.zentechnologies.com/annual-reports and websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited.

8. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Limited ("Kfin") for assistance in this regard.

9. The register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.

DIVIDEND RELATED INFORMATION:

10. The Company has fixed September 6, 2024, as the "Record Date" for the purpose of AGM and for determining entitlement of Members to dividend for the financial year ended March 31, 2024.

11. 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 September 6, 2024, 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 September 6, 2024, 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 one month from the date of this meeting.

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. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed ₹ 5,000/-.

13. **Dividend in case of Non KYC compliant Folios:**

    Shareholders are requested to note that pursuant to the SEBI circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) were not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number; Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 1, 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 KFin.

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. required to submit their Permanent Account Number (PAN) and bank account details to the Company/KFin, 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.

16. **Members holding shares in electronic mode are:**

    a. requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts;

    b. advised to contact their respective DPs for registering nomination.

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. The unclaimed equity dividend for the year ended March 31, 2017, will be transferred in the month of November 2024, 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.

20. Pursuant provisions of Section 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amended Rules, 2017 ("the IEPF Rules"), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more (relevant shares) upto and including the financial year 2015-16 were transferred by the Company in the name of IEPF from time to time as prescribed by the Act and rules made thereunder and the statement containing such details as may be prescribed is placed on Company's website: https://www.zentechnologies.com/unpaid-unclaimed-dividend

VOTING RESULTS:

21. The Board of Directors has appointed Mr. D. S. Rao, Practicing Company Secretary as the 'Scrutinizer' to scrutinize the remote e-Voting process and voting during the AGM in a fair and transparent manner.

22. 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.

OTHER INFORMATION:

23. 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.

24. 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.

25. 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.

26. 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

27. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 12, 2024, through email to cosec@zentechnologies.com. The same will be replied by the Company suitably.

28. Members at 26th AGM held on September 21, 2019 approved the appointment of M/s. Ramasamy Koteswararao & Co LLP Chartered Accountants as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of this 31st AGM.

29. Additional information pursuant to Regulation 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on general meetings in respect of the Directors seeking appointment/re-appointment at the annual general meeting is furnished in **Annexure-A** and forms part of the notice. The Directors have furnished the requisite consent/declaration for their appointment/re-appointment.

30. **Retirement of Directors by rotation:**

    Mr. Kishore Dutt Atluri, President and Joint Managing Director of the Company, retires by rotation at the ensuing annual general meeting and, being eligible, offers himself for re-appointment.

    The Board of Directors commends the re-appointment of Mr. Kishore Dutt Atluri as a Director, liable to retire by rotation.

PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING:

i. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process.

ii. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the eVoting services provided by KFin, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

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

iv. The remote e-Voting facility will be available during the following period:

Commencement of remote e-Voting	**9.00 a.m. (IST) on Monday, September 9, 2024**
End of remote e-Voting	**5.00 p.m. (IST) on Friday, September 13, 2024**

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. **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 point 1.

Type of shareholders	Login Method
	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.
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.
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) 8285, 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, may temporarily get their email address and mobile number provided with KFin, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-Voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii. Alternatively, member may send an e-mail request at the E-mail 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 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 September 12, 2024 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 Monday, September 9, 2024 to 5.00 p.m. (IST) on Thursday, September 12, 2024 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. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from KFin. On successful login, select "Post Your Question" option which will open from 9.00 a.m. (IST) on Monday, September 9, 2024 to 5.00 p.m. (IST) on Thursday, September 12, 2024.

iii. 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.

iv. The Members, whose names appear in the register of members/list of Beneficial Owners as on the close of September 6, 2024, 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.

v. 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: Related Party Transactions with Unistring Tech Solutions Private Limited:

Unistring Tech Solutions Private Limited (UTS) is one of the subsidiary companies of Zen Technologies Limited (Zen) and Zen holds 51% of the paid up equity share capital of UTS and the balance 49% is held by the other promoters of UTS. UTS is a related party as per Section 2 (76) of the Companies Act, 2013, and Regulation 2(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations").

UTS works for design and development of various products in Electronic Warfare (EW), Communication and RADAR applications. UTS offers services to Govt. 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. UTS's major products and services are targeted for military clients (Armed forces, DRDO, ECIL, BEL and Private companies in defence). The core focus of UTS has been in-house design and development of products like Electronic warfare systems, Communication systems, Telemetry Systems, Telecommand Systems, RADAR systems, Simulators (RADAR and EW), Anti-Drone Sub Systems for RF Detection, RF Jammers, UAV based COMINT & ELINT systems etc. Out of the total transactions as proposed in the resolution, purchase of quality products/components and availing of services from UTS needed for anti-drone solutions and other related parts forms major part of the transaction.

The pricing of the components is competitive and are at an arm's length basis. The Audit Committee review all the transactions with the related parties on a quarterly basis and an independent third party review of all related party transactions is in place to ensure that all the transactions are at an arm's length basis. Regulation 23 of the SEBI Listing Regulations, inter alia, states that effective from April 1, 2022, all Material Related Party Transactions ('RPT') shall require prior approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 Crores or 10% of the annual consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower. Regulation 2(1)(zc) of the SEBI Listing Regulations defines related party transaction to mean a transaction involving transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity, regardless of whether a price is charged or not.

Details of the proposed RPTs between Zen and UTS, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

Sr. No.	Description	Details of proposed RPTs between Zen and UTS
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.	
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	Unistring Tech Solutions Private Limited (UTS), one of the subsidiary companies of Zen Technologies Limited with 51% shareholding.
b.	Nature of transactions, material terms and particulars of the proposed RPTs.	i. Purchase of products, materials, equipment(s), goods, components or sub-components or availing of services. ii. Sale or supply of products, materials, equipment(s), goods, components or sub-components or rendering of services. iii. Any other transaction(s) for transfer of resources, services or obligations and other reimbursements or obligations.
c.	Tenure of the proposed transaction	Recurring Transactions every year commencing from the financial year 2024-25.

Details of the proposed RPTs between Zen and UTS, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows: **(Contd.)**

Sr. No.	Description	Details of proposed RPTs between Zen and UTS
d.	Value of the proposed Transactions	Aggregate value not exceeding ₹ 1,000 Crores in a financial year as detailed below: a) Purchase of products, materials, equipment(s), goods, components or sub-components or availing of services up to ₹ 900 Crores. b) Sale or supply of products, materials, equipment(s), goods, components or sub-components or rendering of services upto ₹ 75 Crores. c) Any other transaction(s) for transfer of resources, services or obligations and other reimbursements or obligations upto ₹25 Crores.
e.	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	230% (approx.)
2.	Justification for the proposed RPTs.	Zen invested in UTS in the year 2019 as a means to source quality components/ sub-components, products, etc. UTS has been working on the Anti drone sub systems over the years and has developed reliable cost effective solutions. Out of the total transactions, purchase of quality products/components from UTS needed for anti-drone solutions and other related parts forms major part of the transactions with UTS. This helps the Company achieve its commitments while sourcing quality products at market competitive rates. • **Quality and Innovation:** Backward integration and flexibility in blends provides assured quality and speed of innovation. • **Competitive Pricing:** Rates are competitive and at arm's length while providing the assurance of quality and sustainability.
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary.	Not applicable
4.	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.	Arm's length pricing; combination of cost-plus markup and market benchmarking. Valuation or other external report – Not applicable
5.	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship.	Mr. Ashok Atulri, Chairman and Managing Director, Mrs. Shilpa Choudari, Whole-Time Director and Dr. Ajay Kumar Singh, Independent are also on the Board of UTS as Nominee Directors (without any shareholding) pursuant to the shareholders and share subscription agreement entered between Zen & UTS and the Listing Regulations whichever applicable.
6.	Any other information that may be relevant.	All relevant information is mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

In view of the aforementioned regulatory changes the Resolution No. 5 is placed for approval by the Members by way of an ordinary resolution to authorize the Board or Committee of the Board to enter into transactions with UTS upto ₹ 1,000 Crores for each of the financial year commencing from 2024-25 onwards.

None of the other Directors, KMPs and/or their respective relatives is in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 5 of the Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 5 of the Notice for approval by the Members.

Item No.6: Ratification of remuneration payable to Cost Auditors for the financial year 2024-25:

Pursuant to Section 148 of the Act 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 July 28, 2024, 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 2024-25, with a remuneration of ₹ 1,00,000/-.

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 Act 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 Audit Committee and the Board of Directors, needs to be ratified by the members of the Company. Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2024-25.

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 set out at Item no. 6 of the notice for approval by the members.

By Order of the Board
For Zen Technologies Limited

M. Raghavendra Prasad
Company Secretary and Compliance Officer
M. no.: A41798

Date: July 28, 2024
Place: Hyderabad

Annexure-A

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

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

Name of the Director	Mr. Kishore Dutt Atluri (DIN: 09691242)
Age	62 years
Qualification	A Post graduate in Computer Application from University of Hyderabad.
Date of first appointment on the Board	August 1, 2022
Relationship between Directors inter se [(As per Section 2(77) of the Companies Act, 2013 and Rule 4 of Companies (Specification of Definition Rules, 2014)]	Mr. Kishore Dutt Atluri is elder brother of Mr. Ashok Atluri (Chairman and Managing Director of the Company)
Experience/Expertise in specific functional areas/Brief resume of the Director	Mr. Kishore Dutt Atluri has been responsible for designing and delivering state of the art training solutions and simulators to the end user. He has a deep insight into simulation with specific knowledge about the defense and the homeland security. Under his guidance, the Company has grown manifold to become one of the prime contractors to the Indian Army. He has over 21 patents in his name and he is also in-charge of all marketing activities at Zen, both domestically and internationally. He has been instrumental in development of Zen's range of Virtual, Live Simulation systems, including simulators for Infantry, Armored Corps, Mech Forces, and Air Defense which cater to the needs of Police Forces, Central Police Organization, Civilian and Miners. His primary roles include technology direction and product development aligned with Company's strategy.
Terms and Conditions along with details of remuneration sought to be paid	As per the resolution passed by the shareholders in their meeting held on September 16, 2023.
Last Remuneration drawn (₹ In Lakhs)	₹ 630.46 Lakhs
Name(s) of other companies in which directorships held	Nil
Listed entities from which resigned in the past three years	Nil
Name(s) of other Companies in which Committee Membership(s)/Chairmanship(s) held	Nil
No. of shares (as on March 31, 2024) of ₹ 1/- each held by (i) The Director (ii) His/her relatives **Total**	 1,57,40,970 2,97,24,223 **4,54,65,193**
No. of Board Meetings attended during the year	4 out of 5 in FY 2023-24

Directors' Report

Dear Members,

Your Directors have great pleasure in presenting the report on the Business and Operations of your Company ("the Company" or "Zen"), along with the audited financial statements, for the financial year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

The financial highlights of the Company are as follows:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Total Income	45,477.46	22,609.36	44,420.54	16,848.90
Total Operating Expenditure	25,906.89	14,623.50	25,304.37	11,016.00
Operating Profit (PBIDT)	19,570.57	7,985.86	19,116.17	5,832.9
Less: Interest	228.13	407.55	184.05	202.55
Less: Depreciation & Amortization	967.96	605.65	732.05	437.62
Add/Less: Exceptional Items	240.90	200.00	240.90	200.00
Profit/(Loss) before tax	18,615.39	7,172.66	18,440.97	5,392.74
Current Tax	3,664.93	1,548.71	3,523.53	952.00
Prior Period Taxes	(44.68)	0	0	0
Deferred Tax	2,044.70	627.14	1,994.03	676.96
Net Profit after Tax	12,950.44	4,996.82	12,923.41	3,763.78
Add: Other Comprehensive Income/(Expense)	54.75	40.51	(55.97)	(13.25)
Total Comprehensive income	13,005.19	5,037.33	12,867.44	3,750.53
Earnings per Share (₹) (Face Value ₹ 1/- per share)				
Basic	15.45	5.39	15.61	4.75
Diluted	15.34	5.20	15.51	4.58

REVIEW OF OPERATIONS

During the year under review, your Company achieved total income of ₹ 44,420.54 Lakhs as against ₹ 16,848.90 Lakhs during the previous year. The Net profit after tax stood at ₹ 12,923.45 Lakhs as against ₹ 3,763.78 Lakhs for the previous year.

During the year, the R&D expenditure (capital and revenue) is ₹ 2,665.34 Lakhs (previous year ₹ 2,021.13 Lakhs).

DIVIDEND

The Board of Directors of your Company in its meeting held on May 4, 2024, recommended a dividend @ 100% (₹ 1/- per equity share of ₹ 1/- each) for the financial year 2023-24 after having considered ongoing and imminent commitments, subject to shareholders' approval at the ensuing annual general meeting (AGM) and shall be subject to deduction of income tax at source.

Dividend Distribution Policy

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended, the Dividend Distribution Policy duly approved by the Board is available on the website of the Company and can be accessed at https://www.zentechnologies.com/investor_relations/zen-dividend-distribution-policy.pdf

ALLOTMENT OF EQUITY SHARES

The Board of Directors of the Company on May 24, 2023, allotted 40,64,627 equity shares of ₹ 1/- each at premium of ₹ 212/- pursuant to conversion of Compulsory Convertible Debentures (CCDs) and 4,69,633 equity shares ₹ 1/- each at premium of ₹ 212/- pursuant to conversion of Convertible Warrants.

Further, the Stock Exchanges granted trading approval for the above mentioned equity shares on July 18, 2023, which is effective from July 19, 2023.

ZEN TECHNOLOGIES LIMITED EMPLOYEE STOCK OPTION PLAN-2021

The Board of Directors and the shareholders of the Company at their meetings held on July 24, 2021, and August 28, 2021, respectively and further amended by the Board of Directors and shareholders of the Company at their meetings held on September 6, 2022 and September 29, 2022, respectively, approved the Zen Technologies Limited Employee Stock Option Plan-2021 ("ZEN ESOS 2021"/"Scheme") to acquire, create, issue, offer, grant, allot and/or transfer from time to time, in one or more tranches up to 40,00,000 (Forty Lakhs) Employee Stock Options ("ESOPs") exercisable into 40,00,000 (Forty Lakhs) equity shares of face value ₹ 1/- (rupee one) each. The scheme is being implemented through a Trust set up by the Company namely "Zen Technologies Limited Employees Welfare Trust" and involves acquisition of shares from the secondary market for which the Company has also obtained the in-principle approval from both the stock exchanges viz., BSE Limited and the National Stock Exchange of India Limited. The above mentioned Trust acquired 6,41,400 Equity Shares of ₹ 1/- each from market as part of implementation of ZEN ESOS 2021.

The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

During the financial year under review, the Company has granted Employee Stock Options (ESOPs) convertible into equal number of equity shares of face value of ₹ 1/- each under "Zen Technologies Limited Employee Stock Option Plan – 2021" at a price of ₹ 100/- per option as detailed below. The said price is more than the face value of equity shares of the company and less than the prevailing Market Price as on the date of the grant. Details of total options granted, vested and exercised (as on July 20, 2024) under the scheme are as follows:

Total no. of Shares acquired through open market	
In FY 2022-23:	4,81,524
In FY 2023-24:	1,59,876
Total (A)	**6,41,400**
Grants issued to Employees under the Scheme	
First Grant on February 21, 2023:	2,70,900
Second Grant on October 28, 2023:	22,500
Third Grant on May 4, 2024:	5,000
Total (B)	**2,98,400**
Options lapsed/forfeited/cancelled (C)	10,000
Options which are in vesting period	46,000
Options Exercised	2,00,040
Options which have completed the vesting period but yet to be Exercised	42,360
Money realized by exercise of options	2,00,04,000
Total options outstanding which are not backed by the grants (A-B+C)	**3,53,000**

Disclosures pursuant to Regulation 14 read along with Part F of Schedule-I of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are placed on the Company's Website: https://www.zentechnologies.com/policies-and-code-of-conduct

Further, the certificate from the Secretarial Auditors of the Company certifying that the Company's Scheme is being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is enclosed as **"Annexure-1"** and the resolutions passed by the Members is also placed on the Company's Website: https://www.zentechnologies.com/investor-information

TRANSFER OF SHARES PURSUANT TO ESOPS

During the financial year under review, the Company has transferred 1,23,690 equity shares of face value of ₹ 1/- each, (2,00,040 as on July 20, 2024) to the eligible employees of the Company, to whom the grants were issued earlier under Zen Technologies Limited Employee Stock Option Plan-2021 ("the Scheme"), from Zen Technologies Limited Employees Welfare Trust established for the purpose of implementing the scheme, upon completion of respective vesting period as may be applicable as per the scheme.

SHARE CAPITAL

Subsequent to the allotment of equity shares pursuant to conversion of CCDs and Warrants issued in November 2021, the paid-up equity share capital of the Company stood at ₹ 8,40,44,260 Crores comprising of 8,40,44,260 equity shares of ₹ 1/- each w.e.f. May 24, 2023.

QUALIFIED INSTITUTIONAL PLACEMENT(S)

During the year under review, the Company obtained the necessary approval(s) from the shareholders on March 8, 2024, for one or more Qualified Institutional Placements (QIPs) for an aggregate amount upto ₹ 1,000 Crores, which is valid for a period of 365 days from the date of passing of the resolution.

RESERVES

No amounts were proposed to be transferred to Reserves for the period under review.

FIXED DEPOSITS

The Company has not accepted any deposits from Public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of balance sheet.

LISTING OF EQUITY SHARES

The securities of the Company are listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Further, the Company has no equity shares carrying differential rights.

The Company has paid Listing Fees for the Financial Year 2024-25, to each of the Stock Exchanges, where its equity shares are listed.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company has Five (5) subsidiaries in India and overseas as mentioned below and there are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries:

a. Unistring Tech Solutions Private Limited (Material Subsidiary)

b. Zen Technologies USA, Inc

c. Zen Medical Technologies Private Limited

d. Zen Defence Technologies L.L.C, UAE

e. AiTuring Technologies Private Limited (w.e.f. March 30, 2024)

Consolidated financial statements have been prepared by the Company in accordance with the requirements of Ind AS 110 issued by Institute of Chartered Accountants of India (ICAI) and as per the provisions of the Act.

Pursuant to the provisions of Section 129(3) of the Act and Rule 8(1) of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's subsidiaries, in **Form AOC-1**, is attached as **"Annexure-2"** to this report.

Further, pursuant to the provisions of Section 136 of the Act, 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

Further, the Company's policy on determining the material subsidiaries, as approved by the Board is uploaded on the Company's website at https://www.zentechnologies.com/policies-and-code-of-conduct

Unistring Tech Solutions Private Limited (UTS)

UTS is a subsidy of the Company in India with 51% of holding. UTS works for design and development of various products in Electronic Warfare (EW), Communication and RADAR applications. UTS offers services to Govt 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. UTS's major products and services are targeted for military clients (Armed forces, DRDO, ECIL, BEL and Private companies in defence). UTS has demonstrated remarkable financial progress in the financial year 2022-23 & 2023-24, which turned the Company as a material Subsidiary of the Company in term of the Listing Regulations and playing a significant role in shaping the consolidated financial statements.

Zen Medical Technologies Private Limited (ZMTPL)

ZMTPL is a wholly-owned subsidiary of the Company in India. Zen Medical is primarily involved in the field of medical and hospital equipment.

AiTuring Technologies Private Limited (ATPL)

ATPL is a subsidy of the Company in India with 51% of holding. ATPL is pioneers in the field of robotics, integrating sophisticated technologies and specializes in providing cutting-edge solutions in the field of Remote Controlled Weapon Stations (RCWS) and Optronics for a wide range of weapon platforms, ranging from 5.56mm to 12.7mm calibers. Its portfolio includes sophisticated RCWS engineered for multifaceted firearms with unparalleled precision in 360° azimuth and elevation. Its RCWS are designed to be mounted on any vehicle and are the lightest in weight compared to any other RCWS with similar capabilities. They also design state-of-the-art Pan-Tilt-Zoom (PTZ) cameras equipped with cutting- edge day/night thermal vision and Long Range Finder Systems (LRFS).

Zen Technologies USA, Inc

Zen Technologies USA is a wholly-owned subsidiary of the Company in USA, incorporated on March 9, 2018. It operates within the simulator industry, which complements the parent Company's core competencies. Zen Technologies USA is primarily dedicated to offering combat training products to defense and security customers worldwide.

Zen Defence Technologies L.L.C, UAE (ZDT)

ZDT is a wholly-owned subsidiary in UAE, incorporated on November 15, 2022. ZDT is dedicated to the import and export of training equipment and simulators, as well as engaging in trading, development, and maintenance of defense and surveillance systems on a global scale. ZDT is yet to commence the operations.

CONSOLIDATED FINANCIAL STATEMENTS (CFS)

During the year, the Board of Directors reviewed the affairs of its subsidiaries. Your Company has prepared its consolidated financial statements in accordance with the requirements of Ind AS-27 issued by the Institute of Chartered Accountants of India (ICAI) and as per the provisions of Section 129(3) of the Companies Act, 2013. The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the financial statements of the Company, including the consolidated financial statements, and all other documents required to be attached to this report are available for inspection by the members at the registered office of the Company during the business hours on all days, except Saturdays, Sundays and public holidays, up to the date of the Annual General Meeting ('AGM'). Any member desirous of obtaining a copy of the said financial statements may write a mail to the Company Secretary of the Company. The above-mentioned documents have also been uploaded on the website of the Company (https://www.zentechnologies.com/annual-reports).

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 ("the Listing Regulations") forms part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business and Responsibility Sustainability Report (BRSR) as stipulated under Regulation 34(2)(f) of the Listing Regulations is applicable to your Company for FY 2023-24 and the same is provided as separate section to this Annual Report which indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'. This would enable the members to have an insight into environmental, social and governance initiatives of the Company.

CORPORATE GOVERNANCE

A separate report on Corporate Governance as required under the Listing Regulations is provided as separate section to this Annual Report.

OUTLOOK AND FUTURE PLANS

"Management Discussion and Analysis" contains a section on the Company's outlook and future plans and members may please refer the same on this.

DIRECTORS

The Board of Directors of the Company has an optimum combination of Executive (4), Non-Executive and Independent Directors (4) including one woman Independent Director.

Independent and Non-Executive Directors

As prescribed under Listing Regulations and pursuant to Section 149(6) of the Act, the Non-Executive and Independent

Directors (as on the date of signing this report) of the Company are Dr. Ravindra Kumar Tyagi, Dr. Ajay Kumar Singh, Ms. Sirisha Chintapalli and Mr. Sanjay Vijay Singh Jesrani.

All the above mentioned directors were appointed as Independent Directors by the shareholders in their respective meetings.

Executive Directors

The following are the Whole-Time Directors of the Company.

Mr. Ashok Atluri, Chairman and Managing Director, Mr. Kishore Dutt Atluri, President and Joint Managing Director, Mr. M. Ravi Kumar, Whole-Time Director and Mrs. Shilpa Choudari, Whole-Time Director.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the year under review,

a) Mr. Ashok Atluri has been re-appointed as Chairman and Managing Director for a period of 3 years with effect from May 1, 2023.

b) Mr. Kishore Dutt Atluri has been re-appointed as President and Joint Managing Director for a period of 3 years with effect from May 1, 2023.

c) Mr. M. Raghavendra Prasad has been appointed as Company Secretary and Compliance Officer of the Company with effect from May 6, 2023.

d) Ms. Sirisha Chintapalli has been re-appointed as the Non-Executive and Independent Director of the Company, for the second consecutive term of 3 years, with effect from August 8, 2023.

e) Mrs. Shilpa Choudari has been re-appointed as the Whole-Time Director for a period of 3 years with effect from November 1, 2023.

f) Mr. Sanjay Vijay Singh Jesrani has been appointed as the Non-Executive and Independent Director of the Company, for a period of 3 years, with effect from January 27, 2024.

g) Mr. Amreek Singh Sandhu has retired for office of Directorship w.e.f. February 3, 2024.

DIRECTORS RETIRING BY ROTATION

Pursuant to the provisions of the Act, Mr. Kishore Dutt Atluri retires at the AGM and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134, sub-section 3(c) and sub-section 5 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state and confirm that:

i. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures;

ii. such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as on March 31, 2024, and of the Company's profit or loss for the year ended on that date;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DECLARATIONS OF INDEPENDENT DIRECTORS

All independent directors of the Company have given declaration that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act. The Company also received a declaration of compliance of sub-rule (1) and sub-rule (2) of the Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

Pursuant to the provisions of the Act and the Listing Regulations, the Nomination and Remuneration committee identifies persons who are qualified to become directors in accordance with the criteria laid down and recommend to the Board for their appointment and removal.

The Company adopted a policy relating to the remuneration for Directors and Key Managerial Personnel. This Policy covers the remuneration and other terms of employment for the Company's Executive Team. The remuneration policy for members of the Board and for management, aims at improving the performance and enhancing the value of the Company by motivating and retaining them and to attract the right persons to the right jobs in the Company. The object of this Remuneration Policy is to make your Company a desirable workplace for competent employees and thereby secure competitiveness, future development and acceptable profitability. In order to achieve this, it is imperative that the Company is in a position to offer competitive remuneration in all its operational locations.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is made available on 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.

The criteria of independence is as prescribed in the Act and the Listing Regulations and the independent directors shall abide by the Code specified for them in Schedule IV of the Act.

NUMBER OF MEETINGS OF THE BOARD

During the financial year, five (5) meetings of the Board of Directors were held on May 6, August 5, October 28, 2023, January 27, 2024 and February 24, 2024, in compliance with provisions of the Act read with rules made thereunder, Secretarial Standards and the Listing Regulations.

COMMITTEES OF THE BOARD

Currently the Board has 6 (six) committees: Audit, Nomination and Remuneration, Corporate Social Responsibility, Stakeholders' Relationship, Risk Management, Borrowing and Investment & Finance Committee.

The compositions of the committees are in line with the applicable provisions of the Act, Rules and Regulations are as given below:

Name of the Committee	Composition of the Committee	Remarks
Audit Committee	Mr. Sanjay Vijay Singh Jesrani, Chairperson Dr. Ajay Kumar Singh, Member Dr. R.K. Tyagi, Member Mr. Ashok Atluri, Member	The Audit committee of the Board of Directors was constituted in conformity with the requirements of Section 177 of the Act and regulation 18 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above. All recommendations made by the Audit committee during the year were accepted by the Board.
Nomination and Remuneration Committee	Mr. Sanjay Vijay Singh Jesrani, Chairperson Dr. Ajay Kumar Singh, Member Dr. R.K. Tyagi, Member	The Nomination and Remuneration committee of the Board of Directors was constituted in conformity with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.
Corporate Social Responsibility Committee	Dr. R.K. Tyagi, Chairperson Mr. M. Ravi Kumar, Member Mr. Ashok Atluri, Member	The Corporate Social Responsibility committee of the Board of Directors was constituted in conformity with the requirements of Section 135 of the Act. The Committee monitored the implementation of the CSR Policy from time to time.
Stakeholders' Relationship Committee	Ms. Sirisha Chintapalli, Chairperson Mr. Ashok Atluri, Member Mr. Sanjay Vijay Singh Jesrani, Member	The Stakeholders' Relationship committee of the Board of Directors was constituted in conformity with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.
Risk Management Committee	Mr. Sanjay Vijay Singh Jesrani, Chairperson Mr. Ashok Atluri, Member Mr. M. Ravi Kumar, Member Dr. Ajay Kumar Singh, Member	The Risk Management committee of the Board of Directors was constituted in conformity with the requirements of Regulation 21 of the Listing Regulations with its role as stipulated in the Listing Regulations.
Borrowing Committee & Investment and Finance Committee	Mr. Sanjay Vijay Singh Jesrani, Chairperson Mr. M. Ravi Kumar, Member Mr. Kishore Dutt Atluri, Member Mrs. Shilpa Choudari, Member Mr. Ashok Atluri, Member	The Borrowing Committee and Investment & Finance Committee of the Board of Directors were constituted pursuant to the respective resolutions passed by the Board of Directors in line with the proviso under Section 179(3) of the Companies Act, 2013.
Fund Raising Committee	Mrs. Shilpa Choudari, Chairperson Mr. M. Ravi Kumar, Member Dr. Ajay Kumar Singh, Member Mr. Afzal Harunbhai Malkani, Member	The Fund Raising Committee of the Board of Directors was constituted pursuant to the resolution passed by the Board of Directors for the purpose of "Qualified Institutional Placement".

A detailed note on the Board and its mandatory Committees is provided in the Corporate Governance Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in Form 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, are enclosed as **"Annexure-3"** to this report.

The policy on materiality of related party transactions and also on dealing with the related party transactions as approved by the Audit committee and the Board of Directors was placed on the website of the Company at https://www.zentechnologies.com/policies-and-code-of-conduct

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

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, with respect to Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo are provided in **"Annexure-4"** to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans given, guarantees provided and investments made, if any, during the Financial Year ended on March 31, 2024, are enclosed as **"Annexure-5"** to this Report in compliance with the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014. The particulars of aggregate loans, guarantees and investments under Section 186 of the Act are disclosed in the notes to Financial Statements, which may be read as part of this 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 and the Board on periodical basis.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The annual report on CSR activities, in terms of Section 135 of the Act, and the details about the policy developed and implemented by the Company on CSR initiatives taken during the year are enclosed as **"Annexure-6"** to this report. A detailed policy on CSR is placed on the Company's website under the web link: https://www.zentechnologies.com/policies-and-code-of-conduct

BOARD EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out annual performance evaluation of its own, the individual directors as well as the mandatory committees of the Board. A structured set of criteria was adopted after taking into consideration the inputs received from the directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. Evaluation of the Board members is conducted on an annual basis by the Board, Nomination and Remuneration committee and Independent Directors with specific focus on the performance and effective functioning of the Board and individual directors.

The Nomination and Remuneration committee had specified criteria for performance evaluation of Directors, Committees and Board as a whole and recommended the same to the Board for evaluation.

CRITERIA FOR PERFORMANCE EVALUATION

a. Ability of the candidate to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.

b. Adherence to the Code of Conduct in letter and in spirit by the Independent Directors.

c. Bringing objectivity and independence of view to the Board's discussions in relation to the Company's strategy, performance, and risk management.

d. Statutory compliance and ensuring high standards of financial probity and Corporate Governance.

e. Responsibility towards requirements under the Companies Act, 2013, responsibilities of the Board and accountability under the Director's Responsibility Statement.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors attend a Familiarization/Orientation Program on being inducted into the Board. 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 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.

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

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, AiTuring Technologies Private Limited became a subsidiary of the Company and no subsidiary Company ceased to be the subsidiary of the Company during the said period.

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

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and your Company is constantly endeavoring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the nature of its business.

Further, the statutory auditors of your Company have also issued an attestation report on internal control over financial reporting (as defined in Section 143 of Companies Act, 2013) for the financial year ended March 31, 2024, which forms part to the Statutory Auditors' Report.

VIGIL MECHANISM

The Board of Directors, on the recommendation of the Audit Committee, established a vigil mechanism for directors and employees called "Whistle Blower Policy", pursuant to the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy and to provide adequate safeguards against victimization of persons who use such mechanism and to provide direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

The Whistle Blower Policy is posted under the Investors section of the Company's website at: https://www.zentechnologies.com/policies-and-code-of-conduct

FRAUD REPORTING

During the Financial Year under review, the Statutory Auditors have not reported any incident of fraud to the Board of Directors of the Company, pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

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 Prevention of Sexual Harassment of Women at Workplace Act. 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 as follows:

No. of Complaints Received: **Nil**

No. of Complaints disposed off: **N.A.**

Further, during the year under review, the Company has complied with the provisions related to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while in possession of Unpublished Price Sensitive Information and while dealing in the shares of the Company, as well as the consequences of violations. The Policy has been formulated to regulate, monitor and ensure reporting of trading by insiders by employees and to maintain the highest ethical standards while dealing in the Company's securities.

The Insider Trading Policy of the Company, covering the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for prevention of insider trading is available on our website: https://www.zentechnologies.com/policies-and-code-of-conduct

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, pursuant to the provisions of Section 124(5) of the Act (Section 205A of the Companies Act, 1956), an amount of ₹ 1,08,595.00/- relating to FY 2015-16, which remained unclaimed for a period of 7 years was transferred to the Investor Education and Protection Fund by the Company in November 2023.

TRANSFER OF UNCLAIMED SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

During the year under review, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more (relevant shares) up to and including the financial year 2015-16 were transferred by the Company in the name of IEPF from time to time and the statement containing such details as prescribed is placed on the Company's website at https://www.zentechnologies.com/unpaid-unclaimed-dividend

STATUTORY AUDITORS & AUDITORS' REPORT

The Members of the Companyt at their meeting held on September 21, 2019, approved the appointment of M/s. Ramasamy Koteswara Rao and Co LLP., Chartered Accountants (Firm Registration No. 010396S/S200084) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of 26th AGM till the conclusion of the 31st AGM.

The Auditors' Report on the financial statements of the Company does not contain any qualifications, reservations, or adverse remarks or disclaimer and the Notes on the financial statements referred to therein are self-explanatory, thereby not requiring any further comments on the same.

As the term of the existing statutory auditors (M/s. Ramasamy Koteswara Rao and Co LLP.,) will expire at the conclusion of 31st AGM of the Company. Hence, the Board of Directors at its meeting held July 28, 2024, based on the recommendations of Audit committee re-appointed M/s. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants (ICAI Firm Registration No. 010396S/S200084) for second term of 5 (five) years from the conclusion of 31st AGM till the conclusion of the 36th AGM to be held in the calendar year 2029 at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the statutory auditors from time to time, subject to the approval of shareholders at the 31st AGM.

MAINTENANCE OF COST RECORDS

During the year under review, Section 148(1) of the Act is applicable to your Company and accordingly such accounts and records are made and maintained by the Company as specified in the Act.

COST AUDIT

The Board of directors, based on the recommendations of the audit committee, appointed M/s. M P R & Associates, Cost Accountants, Hyderabad, as Cost Auditors for conducting the audit of cost records of the Company for FY 2023-24. The same was ratified by the members at the 30th AGM held on September 16, 2023.

Further, the Board of Directors based on the recommendations of the audit committee, appointed M/s. M P R & Associates, Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for FY 2024-25, subject to ratification of remuneration payable to them for the financial year 2024-25 by the members at the ensuing AGM.

SECRETARIAL AUDITORS AND AUDIT REPORT

During the year under review, the Company has complied with the provisions of Section 204 of the Act and Regulation 24A of the Listing Regulations.

The Secretarial Audit Report for the financial year ended March 31, 2024, issued by Mr. D. S. Rao (ACS no. 12394/CP no. 14487), Practicing Company Secretary, is enclosed as **"Annexure-7"** to this Report and it does not contain any reservation, qualification or adverse remarks.

Further, the Board has appointed Mr. P. S. Rao (FCS no. 10322/CP no. 3829), Managing Partner of M/s P. S. Rao & Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct secretarial audit pursuant to the recommendations of the Audit committee for the FY 2024-25.

Furthermore, the Secretarial Audit report of Unistring Tech Solutions Private Limited (UTS), a material subsidiary of the Company, is also available on the Company's website at https://www.zentechnologies.com/subsidiary-Company-accounts

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The remuneration paid to your directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of directors/employees of the Company is enclosed as **"Annexure-8"** to this Report.

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 31st Annual General Meeting of the Company including the Annual Report for FY 2023-24 are being sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s).

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings (i.e., SS-1), General Meetings (i.e., SS-2) and on Dividend (i.e., SS-3).

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;

2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

3. No material changes and commitments in the business operations of the Company from the financial year ended March 31, 2024, to the date of the signing of the Directors' Report.

4. Neither the Managing Director nor the Whole-Time Directors of the Company receive any remuneration or commission from any of its subsidiaries; and

5. There is no change in the nature of the business of the Company.

6. No application was made, nor is any proceeding pending, under the Insolvency and Bankruptcy Code, 2016;

7. The Company hasn't opted for one time settlement with any Bank or Financial Institution.

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 stakeholders of the Company viz. shareholders, customers, dealers, vendors, suppliers, 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

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Place: Hyderabad
Date: July 28, 2024

Annexure-1

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India

(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members,
Zen Technologies Limited.

I, D.S. RAO, Company Secretary in practice, have been appointed as the Secretarial Auditor of Zen Technologies Limited (hereinafter referred to as 'the Company'), having CIN: L72200TG1993PLC015939 and having its registered office at B-42 Industrial Estate, Sanathnagar, Hyderabad 500018. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as 'the Regulations'), for the financial year ended March 31, 2024.

Management Responsibility:

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising 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.

Verification:

The Company is in the process of implementation of the "Zen Technologies Limited Employee Stock Option Plan-2021"/ "Scheme" viz Employee Stock Option Scheme in accordance with the Regulations and the Special Resolution(s) passed by the members at the 28th Annual General Meeting of the Company held on August 28, 2021.

For the purpose of verifying the compliance of the Regulations, I have examined the following:

1. Scheme(s) furnished by the Company;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders Resolution(s) passed at 28th Annual General Meeting;
5. Shareholders Resolution(s) passed at 29th Annual General Meeting;
6. Trust Deed;
7. Relevant Accounting Standards as prescribed by the Central Government;
8. Detailed terms and conditions of the scheme as approved by Compensation Committee;
9. Exercise Price/Pricing formula;
10. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10 of these Regulations;
11. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;
12. Other relevant document/filing/records/information as sought and made available to us and the explanations provided by the Company.

Certification:

In my opinion and to the best of my knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its Officers, I certify that the Company is in the process of implementation of the "Zen Technologies Limited Employee Stock Option Plan-2021" Employee Stock Option Scheme in accordance with the applicable provisions of the Regulations and Resolution(s) of the Company in the General Meeting(s).

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. My responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

CS D.S. RAO; PCS
M. No.: A12394
C. P. No.: 14487
UDIN: A012394F000835471

Place: Hyderabad
Date: July 28, 2024

Annexure-2

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

The compositions of the committees are in line with the applicable provisions of the Act, Rules and Regulations are as given below:

(₹ in Lakhs)

1	Name of the subsidiary	Unistring Tech Solutions Private Limited	Zen Technologies USA, Inc.	Zen Medical Technologies Private Limited	Zen UAE Defence LLC	AiTuring Technologies Private Limited
2	Date since it is subsidiary	May 8, 2019	March 9, 2018	July 24, 2020	November 15, 2022	March 30, 2024
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	1 USD = 83.3739 INR	N.A.	1 AED = 22.6551 INR	N.A.
5	Share capital (₹ in Lakhs)	56.63	1,434.67	75.20	34,00	2.04
6	Reserves & surplus	2,529.44	(1,116.15)	(32.8)	(3.38)	392.27
7	Total assets	9,039.15	321.48	42.64	33.57	697.11
8	Total Liabilities	6,453.08	2.96	0.24	2.95	302.80
9	Investments	-	-	-	-	0
10	Turnover	5,296.05	-	-	-	0
11	Profit before taxation	478.03	(145.01)	(4.65)	(2.58)	0
12	Provision for taxation	147.46	-	0.03	-	-
13	Profit after taxation	330.57	(145.01)	(4.62)	(2.58)	0
14	Proposed Dividend	-	-	-	-	-
15	% of shareholding	51%	100%	100%	99%	51%

Notes:

1. Names of subsidiaries which are yet to commence operations: Zen Technologies USA, Inc. and Zen UAE Defence 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

The Company has no Associate Company or Joint Venture.

For and on behalf of the Board

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Place: Hyderabad
Date: July 28, 2024

Annexure-3

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. 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 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	Mrs. A Rama Devi, Wife of Mr. Kishore Dutt Atluri, President and Joint Managing Director of the Company	Leasing of property of any kind	June 1, 2022 to May 31, 2025	Taking on lease 3 bedroom fully furnished flat jointly owned by Mr. Kishore Dutt Atluri, President and Joint Managing Director of the Company and his wife Mrs. A. Rama Devi for using as Guest House for Company's executives and business clients for ₹. 59,098/- per month plus maintenance charges as per actuals with an annual escalation on tariff at 5%. During the financial year 2023-24, ₹ 7.04 Lakhs paid as a rent to the related party.	May 7, 2022	Security deposit – lease rent of two months
2	Mr. Arjun Atluri, Son of Mr. Kishore Dutt Atluri, President and Joint Managing Director of the Company	Appointed to office or place of profit in the Company	Ongoing	During the financial year 2023-24, he received remuneration of ₹ 23.98 Lakhs (including perks).	May 7, 2022 and January 27, 2024	Nil
3	Ms. Anisha Atluri, Daughter of Mr. Kishore Dutt Atluri, President and Joint Managing Director of the Company	Appointed to office or place of profit in the Company	Ongoing	During the financial year 2023-24, she received remuneration of ₹ 13.28 Lakhs (including perks).	May 7, 2022 and January 27, 2024	Nil
4	Ms. Abhilasha Atluri, Daughter of Mr. Ashok Atluri, Chairman and Managing Director of the Company	Appointed to office or place of profit in the Company	Ongoing	During the financial year 2023-24, she received remuneration of ₹ 2.12 Lakhs (including perks).	January 27, 2024	Nil
5	Unistring Tech Solutions Private Limited (UTS), Subsidiary Company	Purchase of goods	Ongoing	During the year 2023-24, ₹ 2,670.64 Lakhs was paid to UTS.	September 6, 2022	Nil
6		Purchase of Capital goods	Ongoing	During the year 2023-24, ₹ 373.31 Lakhs was paid to UTS.	September 6, 2022	Nil
7		Sale of goods	Ongoing	During the year 2023-24, ₹ 1,299.89 Lakhs was received from UTS.	September 6, 2022	Nil
8		Corporate Guarantee issued infavour of customer(s) of UTS	Ongoing	During the year ₹ 90.23 Lakhs Corporate Guarantee issued infavour of customers(s) of UTS Limited, (Guarantee given by Company Bankers)	September 6, 2022	Nil
9		Advance for material supplies	Ongoing	During the year ₹ 3,055.07 Lakhs Advance given for material supplies to UTS	September 6, 2022	Nil

For and on behalf of the Board

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Place: Hyderabad
Date: July 28, 2024

Annexure-4

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 ₹ 20.21 Crores as R&D expenditure (capital and revenue) for the financial year 2023-24 for the development of various products. The Company has incurred 12.52% 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 2023-2024	FY 2022-2023
Earned during the year	15,058.21	6,438.67
Used during the year	3,188.16	2,836.22

For and on behalf of the Board

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Place: Hyderabad
Date: July 28, 2024

Annexure-5

Particulars of Loans, Guarantees or Investments during FY 2023-24 under Section 186 of the Act:

Nature of transaction (whether loan/ guarantee/security/ acquisition) Purpose	Purpose	Date of making loan/acquisition/ giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (listed/unlisted entities)	Amount of loan/security/ acquisition/ guarantee (₹ in Lakhs)	Time period for which it is made/given	Date of passing of Board Resolution	For Loans	
							Rate of Interest	Date of maturity
Loan	To implement the Zen Technologies Limited Employee Stock Option Plan – 2021, further and to acquire more shares	October 27, 2021, April 4, 2022, May 19, 2022, February 17, 2023, February 22, 2023 & February 24, 2023 May 29, 2023	Zen Technologies Limited Employees Welfare Trust B-42, Industrial Estate, Sanath Nagar, Hyderabad-500018, Telangana, India.	₹ 1,575.00	Not applicable	October 30, 2021	Nil	N.A.
Investment	To acquire 51% of equity shares from AiTuring Technologies Private Limited	March 30, 2024	AiTuring Technologies Private Limited SN-39/1A/39/2/3/3 Kudaleharity Wadgaon bk, Vadgaon Budruk, Pune, Haveli, Maharashtra, India, 411041.	₹ 386.99	Not applicable	February 24, 2024	N.A.	N.A.

Note: The aggregate investments made as on March 31, 2024 has been provided in the financial statement vide note no.5

For and on behalf of the Board

Place: Hyderabad
Date: July 28, 2024

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Annexure-6

Annual Report on CSR Activities for the FY 2023-24

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

1. Brief outline on CSR Policy of the Company

The Company has an approved Corporate Social Responsibility Policy which is placed on the website of the Company at: https://www.zentechnologies.com/policies-and-code-of-conduct. The Company proposes to adopt projects or programmes under one or more of the activities as prescribed under Schedule VII of the Companies Act, 2013, as amended from time to time and as stated in the Corporate Social Responsibility Policy.

2. Composition of the CSR Committee

(₹ in Lakhs)

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.	Dr. Ravindra Kumar Tyagi	Chairman, Independent – Non-Executive	1	1
2.	Mr. Ashok Atluri	Member, Non-Independent – Executive	1	1
3.	Mr. Ravi Kumar Midathala	Member, Non-Independent – Executive	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.

Composition of the CSR committee is available on the Company's website on at: https://www.zentechnologies.com/leader/board-committees and CSR Policy at: https://www.zentechnologies.com/policies-and-code-of-conduct

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

(₹ in Lakhs)

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
	-	Nil	Nil

6. Average net profit of the Company as per Section 135(5): ₹ **2,025.04 Lakhs**

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ **40.50 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

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

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ **40.50 Lakhs**

8. (a) 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
₹ 40.50 Lakhs	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year: **Nil**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1	Contribution for Schedule VII activities	(i), (ii), (vi), (vii)	No	Pan India		40.50	No	Veer Sammaan Foundation	CSR00000420
	Total					**40.50**			

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Not applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **40.50 Lakhs**

(g) Excess amount for set off, if any: **Nil**

Sr. No.	Particular	Amount (₹ Lakhs)
i	Two percent of average net profit of the Company as per Section 135(5)	40.50
ii	Total amount spent for the Financial Year	40.50
iii	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Nil**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not applicable since NO capital asset was created or acquired.**

11.. 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**

Afzal Harunbhai Malkani
Chief Financial Officer

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

Dr. Ravindra Kumar Tyagi
Chairman of the Committee
DIN: 01509031

Place: Hyderabad
Date: July 28, 2024

Annexure-7

FORM NO. MR-3

Secretarial Audit Report

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

To,
The Members,
Zen Technologies Limited
Hyderabad

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2024**, 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, 2024**, 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	Mr. Ashok Atluri	Re-appointment	Re-appointed as Chairman and Managing Director for a period of Three Years w.e.f. May 1, 2023 with the approval of the Shareholders at 30th Annual General Meeting
			Re-appointed as a Director at the 30th Annual General Meeting held on September 16, 2023 upon retirement by rotation in accordance with the provisions of Section 152 of Companies Act, 2013.
2	Mr. Kishore Dutt Atluri	Appointment	Re-appointed as a Joint Managing Director for a period of 3 years w.e.f., May 1, 2023 with the approval of Shareholders at the 30th Annual General Meeting.
3	Mrs. Shilpa Choudari	Re-appointment	Re-appointed as a Whole-Time Director for a period of 3 years w.e.f., November 1, 2023 with the approval of Shareholders at the 30th Annual General Meeting.
4	Ms. Sirisha Chintapalli	Re-appointment	Re-appointed as an Independent Director for the second consecutive term of three years w.e.f. August 8, 2023 with the approval of shareholders at 30th Annual General Meeting.
5	Mr. Sanjay Vijay Singh Jesrani	Appointment	Appointed as and Additional Director under Independent category w.e.f. January 27, 2024 by the Board
			Regularized as an Independent Director of the Company for a period of 3 years w.e.f. January 27, 2024 with the approval of shareholders via Postal Ballot.
6	Mr. Amreek Singh Sandhu	Retirement	Retired as an Independent Director of the Company upon completion of term w.e.f. February 2, 2024.

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

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

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

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

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

We further report that during the year under review, the Company has allotted 40,64,627 Equity Shares of ₹ 1 each upon conversion of Compulsorily Convertible Debentures and 4,69,633 Equity Shares of ₹ 1 each upon conversion of Convertible Warrants, at a premium of ₹ 212 per Equity Share on May 24, 2023.

We further report that during the year under review, the Company has granted 22,500 Employee Stock Options (ESOPs) at an exercise price of ₹ 100/- per option, on October 28, 2023, in terms of "Zen Technologies Limited Employee Stock Option Plan – 2021" and also extended the time period for appropriation of 1,88,124 outstanding Equity Shares (which were bought in FY 2022-23) held in Zen Technologies Employees Welfare Trust.

We further report that during the year under review, 1,23,690 Equity Shares were transferred to eligible employees from Zen Technologies Employees Welfare Trust upon vesting of Employee Stock Options (ESOPs) at an exercise price of ₹ 100/- per option, in terms of "Zen Technologies Limited Employee Stock Option Plan – 2021.

We further report that, during the year under review, in terms of the provisions of Section 124(5) of the Act, an amount of ₹ 1,08,595.30 being the Unclaimed Dividend of FY 2015-16, 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, 17,053 equity shares belonging to 20 shareholders were transferred to the Investor Education and Protection Fund (IEPF). After affecting this transfer and claims settled 1,30,805 shares were lying in the IEPF account as on March 31, 2024.

CS D.S. RAO; PCS
M. No.: A12394
C. P. No.: 14487
UDIN: A012394F000835480
PEER REVIEW CER No.: 1817/2022

Place: Hyderabad
Date: July 28, 2024

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.

CS D.S. RAO; PCS
M. No.: A12394
C. P. No.: 14487
UDIN: A012394F000835480
PEER REVIEW CER No.: 1817/2022

Place: Hyderabad
Date: July 28, 2024

Annexure-8

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	*185.31	316.67%
2	Mr. Kishore Dutt Atluri, President and Joint Managing Director	*147.98	212.50%
3	Mr. M. Ravi Kumar, Whole-Time Director	17.48	Nil
4	Mrs. Shilpa Choudari, Whole-Time Director	9.27	110.00%
5	Mr. Sanjay Vijay Singh Jesrani, Independent Director	Nil	Nil
6	Dr. Ravindra Kumar Tyagi, Independent Director	Nil	Nil
7	Dr. Ajay Kumar Singh, Independent Director	Nil	Nil
8	Ms. Sirisha Chintapalli, Independent Director	Nil	Nil
9	Mr. Raghavendra Prasad, Company Secretary	4.27	Not applicable
10	Mr. Afzal Harunbhai Malkani, Chief Financial Officer	15.21	Nil

Note: Independent Directors were paid sitting fees for attending the Meetings.

* Increase in ratio is due to increase in commission linked to profits/sales.

(ii) The percentage increase in the median remuneration of employees in the financial year: **16%**

(iii) The number of permanent employees on the rolls of Company: **There were 342 permanent employees on the rolls as on March 31, 2024.**

(iv) The average percentage increase already made in the salaries of employees other than managerial personnel was **16.4%**

Percentile increases in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **159.79%**

The revision in remuneration was done considering the individual's experience and expertise, as well as the remuneration benchmarks of companies with similar market capitalisation and industry activities. Furthermore, there were no exceptional circumstances for the increase in managerial remuneration.

(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.

(vi) Particulars of Employees 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:

Sr. No.	Name & Designation	Nature of Employment	Qualification and Experience	Age in years	Date of Joining	Remuneration received (₹ In Lakhs)	The last employment held before joining the Company	The % of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule(2) of Rule 5 (i.e., more than 2%)	Whether the employee is a relative of any director or manager of the Company
1	Mr. Ashok Atluri Chairman & Managing Director	Contractual	B.Com, PG Diploma Over 32 years	57	June 14, 1994	789.53	--	Not applicable	Yes*
2	Mr. Kishore Dutt Atluri President & Joint Managing Director	Contractual	Master of Computer Application 38 years	61	September 1, 1993	630.46	--	Not applicable	Yes**
3	Mr. M. Ravi Kumar Whole-Time Director	Contractual	PG Diploma in Computer Science Around 34 years	61	June 1, 1993	74.46	--	Not applicable	No
4	Mr. Afzal Harunbhai Malkani	Chief Financial Officer	B.Com, CA 20 years	44	August 1, 2022	64.99	Chief Financiual Officer of Anupam Rasayanam	Not applicable	No
5	Mr. M. Vijaya Rama Rao	Sr. Manager (R&D-Electronics), Permanent Employee	BE-Electronics 21 years	45	April 3, 2002	45.57	--	Not applicable	No
6	Mr. Suhruth Taduri	Software Head, Permanent Employee	M. Sc. 18 years	44	September 1, 2021	42.02	Zen Technologies & Game Shahstra	Not applicable	No
7	Mrs. Shilpa Choudari	Contractual	Bachelors Degree of Technology 13 years	43	November 1, 2020	39.50	--	Not applicable	No
8	Mr. Surya Prakash Koti	Project Lead (Software), Permanent Employee	M.Sc- Electronics 17 years	41	December 26, 2005	36.87	--	Not applicable	No
9	Mr. Ravi Kumar Mummadi	Sr. Technical Lead, Permanent Employee	M. Tech 27 years	47	July 16, 2020	33.49	DRDL,DMRL, Logical Solutions	Not applicable	No
10	Mr. Venkatapathi Raju	Sr. Technical Lead, Permanent Employee	M. Tech 22 years	46	July 2, 2020	33.49	RCI-DRDO, Logical Solutions	Not applicable	No

* Mr. Ashok Atluri is brother of Mr. Kishore Dutt Atluri, President & Joint Managing Director and spouse of Mrs. Shilpa Choudari, Whole-Time Director of the Company.

**Mr. Kishore Dutt Atluri is brother of Mr. Ashok Atluri, Chairman and Managing Director of the Company.

For and on behalf of the Board

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Place: Hyderabad
Date: July 28, 2024

Corporate Governance Report

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

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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 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) BOARD OF DIRECTORS:

(a) Composition and Category of Directors:

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors with one woman Independent Director.

The details of the Board of Directors including their attendance at the meetings of Board and shareholders and directorships/ chairmanships/memberships on the Boards/Committees of other Companies as required under regulation no. 34 read with schedule V of Listing Regulations are as below:

Name	DIN	Category of Directorship	No. of Board Meetings		Attendance at the last AGM	No of directorships in other Companies		Committees in which a directors is a member or Chairperson in other Companies	
			Held	Attended		Private	Public	Chairmanship	Membership
Mr. Ashok Atluri	00056050	Executive Director (Promoter group)	5	5	Yes	1	2	-	-
Mr. Kishore Dutt Atluri	09691242	Executive Director (Promoter)	5	4	Yes	-	-	-	-
Mr. M Ravi Kumar	00089921	Executive Director (Promoter)	5	5	Yes	-	1	-	-
Mrs. Shilpa Choudari	06646539	Executive Director	5	5	Yes	2	1	-	-
Mr. Amreek Singh Sandhu$	08064880	Independent Director	5	4	Yes	-	-	-	-
Dr. Ravindra Kumar Tyagi	01509031	Independent Director	5	4	Yes	1	2	-	-
Dr. Ajay Kumar Singh	08532830	Independent Director	5	5	Yes	-	1	-	-
Ms. Sirisha Chintapalli	08407008	Independent Director	5	5	Yes	1	2	1	4
Mr. Sanjay Vijay Singh Jesrani*	02306916	Independent Director	5	2	N.A.	1	-	-	-

$Mr. Amreek Singh Sandhu retired for office of Directorship w.e.f. February 3, 2024

*Mr. Sanjay Vijay Singh Jesrani appointed as Independent Director w.e.f. January 27, 2024

All Directors are in compliance with the limits and other conditions as prescribed under Regulation 16, 17A, 26 and other applicable Regulations, whichever is applicable, of the Listing Regulations and None of the Directors on the Board is a Director of any other listed entity. Necessary disclosures regarding their Committee positions have been made by all the Directors.

The Company has received declarations on criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations from the Directors of the Company who have been classified as Independent Directors as on March 31, 2024.

(b) Number of meetings of the Board of Directors held and dates on which held:

During the financial year, five (5) meetings of the Board of Directors were held on May 6, August 5, October 28, 2023, January 27, 2024 and February 24, 2024, in compliance with provisions of the Act read with rules made thereunder, Secretarial Standards and the Listing Regulations.

(c) Meeting of Independent Directors:

A separate meeting of Independent Directors was held on January 27, 2024, inter-alia to review the performance of the Non-Independent Directors and the Board as a whole, review the performance of Chairperson 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.

All the Independent Directors were present at the meeting. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board.

(d) Disclosure of relationship between Directors inter-se:

Except Mr. Ashok Atluri, Chairman and Managing Director,

i. who is the brother of Mr. Kishore Dutt Atluri, President and Joint Managing Director of the Company; and

ii. who is the spouse of Mrs. Shilpa Choudari, Whole-Time Director of the Company.

None of the other Directors are related to each other.

(e) Shares and Convertible Instruments held by Non-Executive Directors:

Sr. No.	Name of the Director	Number of Equity Shares (face value of ₹ 1/- each held in the Company)
1	Dr. Ravindra Kumar Tyagi	760
2	Dr. Ajay Kumar Singh	Nil
3	Ms. Sirisha Chintapalli	Nil
4	Mr. Sanjay Vijay Singh Jesrani	21,500

(f) The detail of Familiarization programmes:

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 the Web link: https://www.zentechnologies.com/investor-information

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

The Company requires skills, expertise and competencies in the areas of Leadership, Knowledge of the Company's business, Behavioural Skills, Financial Discipline and Risk Oversight, Board Service & Governance, Strategic thinking and Planning and Technical/Professional skills to effectively and efficiently carry on its core businesses.

All the members of the Board possess the relevant skills, expertise, competencies in the above mentioned areas and are well qualified who bring in the above-mentioned required skills, expertise and competence, which allow them to make effective contributions to the Board and its Committees. The members of the Board are committed to ensuring that the Company is in compliance with the highest standards of corporate governance.

(h) The Board of Directors, based on the declarations received from the Independent Directors, be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

Further, pursuant to Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, all Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs and are in compliance with the related provisions from time to time.

(i) During the year under review, no independent director has resigned from the directorship of the Company before the expiry of his/her term of appointment.

(j) 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 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. The Code of Conduct for the Board of Directors of the Company has been amended in line with the provisions of the Companies Act, 2013, which includes Code for Independent Directors, which is a guide to professional conduct for Independent Directors of the Company pursuant to Section 149(8) and Schedule IV of the Companies Act, 2013.

(k) CEO/CFO Certification:

As required under the Listing Regulations, the Chairman and Managing Director (CMD) and Chief Financial Officer (CFO) of the Company have certified the Financial Statements for the year ended March 31, 2024, before submitting the same to the Board. CMD and CFO also furnish quarterly certification on Financial Statements while placing the Financial Statements before the Board in terms of Regulation 17(8). The Annual Certificate given by CMD and CFO forms part of the Annual Report.

3) AUDIT COMMITTEE (AC):

The Audit committee of the Board of Directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

(a) Brief description of terms of reference:

The role and responsibility of the Audit Committee is as prescribed under the Act and the Listing Regulations from time to time.

(b) Composition, name of members and chairperson, meetings and attendance during the year 2023-24:

The members of the Committee are financially literate and have adequate accounting knowledge and the composition of the Audit committee and the details of meetings attended by its members are given below:

The Audit Committee comprised four directors as follows:

Sr. No.	Name of the Director	Category	Designation
1	Mr. Amreek Singh Sandhu$	Independent Director	Chairman
2	Mr. Sanjay Vijay singh Jesrani*	Independent Director	Chairman
3	Dr. Ravindra Kumar Tyagi	Independent Director	Member
4	Dr. Ajay Kumar Singh	Independent Director	Member
5	Mr. Ashok Atluri	Executive Director	Member

$Mr. Amreek Singh Sandhu retired for office of Directorship w.e.f. February 3, 2024

*Mr. Sanjay Vijay singh Jesrani appointed as Independent Director w.e.f. January 27, 2024

The Audit Committee met four (4) times during the financial year 2023-24 on May 6, August 5, October 28, 2023 and January 27, 2024, and all members of the Audit Committee attended all meetings. Further, all the recommendations of the Audit Committee have been accepted by the Board of Directors.

4) NOMINATION AND REMUNERATION COMMITTEE (NRC):

The NRC of the Board of Directors was constituted in conformity with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

(a) Brief description of terms of reference:

The Roles, Functioning and Terms of reference of the NRC are as prescribed under the Act and the Listing Regulations from time to time. NRC determines the Company's policy on all elements of the remuneration packages of the directors including the Executive Directors.

(b) Composition, name of members and chairperson, meetings and attendance during the year 2023-24:

The NRC comprised three directors as follows:

Sr. No.	Name of the Director	Category	Designation
1	Mr. Amreek Singh Sandhu$	Independent Director	Chairman
2	Mr. Sanjay Vijay singh Jesrani*	Independent Director	Chairman
3	Dr. Ajay Kumar Singh	Independent Director	Member
4	Dr. Ravindra Kumar Tyagi	Independent Director	Member

$Mr. Amreek Singh Sandhu retired for office of Directorship w.e.f. February 3, 2024

*Mr. Sanjay Vijay singh Jesrani appointed as Independent Director w.e.f. January 27, 2024

The NRC met four (4) times during the financial year 2023-24 on May 6, August 5, October 28, 2023 and January 27, 2024, and all members of NRC attended all the meetings.

(c) Nomination and Remuneration policy:

The Company's remuneration policy for directors, key managerial personnel and other employees is placed on the Company's website under the web link: https://www.zentechnologies.com/policies-and-code-of-conduct

(d) Performance evaluation criteria for Independent Directors:

The performance evaluation of Independent Director is done by the Board annually based on criteria of attendance and contributions at Board/Committee meetings and also the roles played by them other than at meetings. The NRC had specified criteria for performance evaluation of Directors, Committees and Board as a whole and recommends the same to the Board for evaluation.

In line with Corporate Governance guidelines, evaluation of all Board members is done on an annual basis. This evaluation is done by the entire Board led by the Chairman of the Board with specific focus on the performance and effective functioning of the Board, committees of the Board and individual directors and reported to the Board. The evaluation process also considers the time spent by each of the Directors, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

The entire Board of Directors (excluding the director being evaluated) held the performance evaluation of Independent Directors and on the basis of performance evaluation, the Board decided to continue the term of appointment of Independent Directors.

Performance evaluation of Independent Directors for the FY 2023-24 was done by the Board on May 4, 2024.

5) STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC):

The SRC of the Board of Directors was constituted in conformity with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations.

(a) Brief description of terms of reference:

The role of the SRC is as prescribed under the Listing Regulations from time to time.

(b) Composition, name of members and chairperson, Meetings and attendance during the year 2023-24:

The SRC comprised three directors as follows:

Sr. No.	Name of the Director	Category	Designation
1	Ms. Sirisha Chintapalli	Independent Director	Chairman
2	Mr. Ashok Atluri	Executive Director	Member
3	Mr. Amreek Singh Sandhu$	Independent Director	Member
4	Mr. Sanjay Vijay singh Jesrani*	Independent Director	Member

$Mr. Amreek Singh Sandhu retired for office of Directorship w.e.f. February 3, 2024

*Mr. Sanjay Vijay singh Jesrani appointed as Independent Director w.e.f. January 27, 2024

During the financial year 2023-24, SRC met only once on January 27, 2024 and all members of SRC attended the meeting.

(a)	Name of Non-Executive Director heading the Committee	Ms. Sirisha Chintapalli, Non-Executive and Independent Director chairs the SRC.
(b)	Name and designation of Compliance Officer	Mr. Afzal Harunbhai Malkani (upto May 6, 2023) - Chief Financial Officer Mr. M. Raghavendra Prasad (w.e.f May 6, 2023) - Company Secretary
(c)	Number of Shareholders' complaints received in FY 2022-23	During the financial year 2023-24, the Company has not received any Investor Complaints.
(d)	Number of complaints not solved to the satisfaction of shareholders	Nil
(e)	Number of pending complaints	Nil

6) RISK MANAGEMENT COMMITTEE (RMC):

The RMC of the Board of Directors was constituted in conformity with the requirements of Regulation 21 of the Listing Regulations.

(a) Brief description of terms of reference:

The functioning, terms of reference and the role of the Risk Management committee are as prescribed under the Listing Regulations from time to time.

(b) Composition, name of members and chairperson, Meetings and attendance during the year 2023-24:

The RMC comprised four directors as follows:

Sr. No.	Name of the Director	Category	Chairman/Member
1	Mr. Amreek Singh Sandhu[$]	Independent Director	Chairman
2	Mr. Sanjay Vijay singh Jesrani*	Independent Director	Chairman
3	Mr. Ashok Atluri	Executive Director	Member
4	Mr. Ravi Kumar Midathala	Executive Director	Member
5	Dr. Ajay Kumar Singh	Independent Director	Member

[$]Mr. Amreek Singh Sandhu retired for office of Directorship w.e.f. February 3, 2024

*Mr. Sanjay Vijay singh Jesrani appointed as Independent Director w.e.f. January 27, 2024

During the financial year 2023-24, RMC met twice on July 17, 2023 and January 8, 2024.

7) SENIOR MANAGEMENT:

Particulars of senior management of the Company including the changes therein since the close of the previous financial year are as follows:

Sr. No.	Name	Designation	Changes, if any
1	Mr. Kishore Dutt Atluri	President and Joint Managing Director	Re-appointed as President and Joint Managing Director w.e.f May 1, 2023
2	Mr. Ravi Kumar Midathala	Executive Director	-
3	Mrs. Shilpa Choudari	Executive Director	Re-appointed as Whole-Time Director w.e.f November 1, 2023
4	Mr. Afzal Harunbhai Malkani	Chief Financial Officer	-
5	Mr. M. Raghavendra Prasad	Company Secretary and Compliance Officer	Appointed as such w.e.f. May 6, 2023

8) REMUNERATION OF DIRECTORS:

(a) All pecuniary relationship or transactions of the Non-Executive Directors:

During the year under review, there were no pecuniary relationships or transactions with Non-Executive Directors

(b) Criteria of making payments to Non-Executive Directors:

The Company is paying only sitting fee, in the manner as decided by the Board from time to time, to the Non-Executive Directors for attending the Board and Audit Committee meetings.

(c) Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013:

(i) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc. for the FY 2023-24:

Name of the Director	Sitting Fee (Board & Committee meetings) (₹)	Salaries (₹)	Perquisites and allowances (₹)	Commission and incentive as approved by General Body (₹)	Bonuses, stock options, pension and Other Benefits (₹)	Total (₹)
Mr. Ashok Atluri	-	1,96,70,000	39,59,604	5,53,24,052	-	7,89,53,656
Mr. Kishore Dutt Atluri*	-	1,98,10,000	2,09,324	4,30,27,513	-	6,30,46,837
Mr. M Ravi Kumar	-	72,60,000	1,86,925	-	-	74,46,925
Ms. Shilpa Choudari	-	38,60,000	90,354	-	-	39,50,354
Mr. Amreek Singh Sandhu	4,00,000	-	-	-	-	4,00,000
Dr. Ravindra Kumar Tyagi	4,00,000	-	-	-	-	4,00,000
Dr. Ajay Kumar Singh	-	-	-	-	-	-
Ms. Sirisha Chintapalli	1,50,000	-	-	-	-	1,50,000
Mr. Sanjay Vijay singh Jesrani	1,00,000	-	-	-	-	1,00,000

(ii) Details of fixed component and performance linked incentives, along with the performance criteria:

No director was allowed any fixed or performance linked incentives except as stated above.

(iii) Service contracts, notice period, severance fees:

There are neither specific contracts nor any severance fees. Terms of appointment are as decided by the Board and General Body from time to time.

(iv) Stock option details, if any including issue at a discount as well as the period over which accrued and over which exercisable:

The Company has no options outstanding as at the beginning of the year and has not granted any stock options to the directors during the financial year 2023-24.

9) GENERAL BODY MEETINGS:

(a) Location and time, where last three AGMs held:

The following are the details of the last three Annual General Meetings held:

Financial Year	Date & time	Venue	Special resolution(s)	
			Passed	Number
2022-23	September 16, 2023 at 11.00 a.m. (IST)	The Company conducted this AGM through VC/OAVM pursuant to the MCA and SEBI Circulars and as such there is no requirement to have a venue for the AGM.	Yes	5
2021-22	September 29, 2022 at 11.00 a.m. (IST)	The Company conducted this AGM through VC/OAVM pursuant to the MCA and SEBI Circulars and as such there is no requirement to have a venue for the AGM.	Yes	9
2020-21	August 28, 2021 at 10.00 a.m. (IST)	The Company conducted this AGM through VC/OAVM pursuant to the MCA and SEBI Circulars and as such there is no requirement to have a venue for the AGM.	Yes	8

(b) Postal Ballot:

The following are details regarding the resolutions passed through postal ballots:

Date of Postal Ballot	March 8, 2024	April 12, 2024
No. of resolutions passed	3	1
No. of Special resolution	0	1
Name of the Scrutinizer	Mr. D. S. Rao, Practicing Company Secretary	Mr. D. S. Rao, Practicing Company Secretary

For the above mentioned postal ballots the Company followed the procedure as per the applicable provisions of the Companies Act, 2013 and rules made thereunder including the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there are no resolutions proposed to be passed through postal ballot till the date.

10) MEANS OF COMMUNICATION:

(a) Quarterly results:

The quarterly results of the Company are published in accordance with the requirements of the Listing Regulations.

The Annual reports with audited financial statements are sent to the shareholders through permitted mode.

(b) Newspapers wherein results normally published:

The results are normally published by the Company in the newspapers (Business Standard/Financial Express) in English version, circulating in the whole of India and in regional newspaper (Nava Telangana).

(c) Website:

Financial Results, Annual Reports, Announcements, Investor information, Policies etc., are displayed on the Company's website: https://www.zentechnologies.com/investors.

(d) Whether it also displays official news releases:

Official news releases/press releases are displayed on the Company's website: https://www.zentechnologies.com/press-releases.

(e) Presentations made to institutions investors or to the analysts:

The presentations made to the investors/analysts are placed on the Company's website https://www.zentechnologies.com/calls-and-conferences.

11) GENERAL SHAREHOLDER INFORMATION:

(a) Annual General Meeting date, time and venue:

Date	August 31, 2024
Time	11:00 a.m. (IST)
Venue	The Company is conducting meeting through VC/OAVM pursuant to the MCA and SEBI Circulars and as such there is no requirement to have a venue for the AGM. For details please refer to the notice of this AGM.

(b) Financial year:

The financial year of the Company starts from April 1 every year and ends on March 31 of subsequent year.

(c) Dividend payment date:

The final dividend for the FY 2023-24, if approved by the members, will be paid/credited within 30 days from the date such approval.

(d) The name and address of each stock exchange(s) at which the listed entity's securities are listed are:

National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Annual Listing fee was remitted to the above stock exchanges upto FY 2023-24.

(e) Stock Codes/Symbol:

BSE	"533339/ZENTEC"
National Stock Exchange Trading Symbol	"ZENTEC"

Corporate Identity Number (CIN):

The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, the Government of India is: L72200TG1993PLC015939

International Securities Identification Number (ISIN):

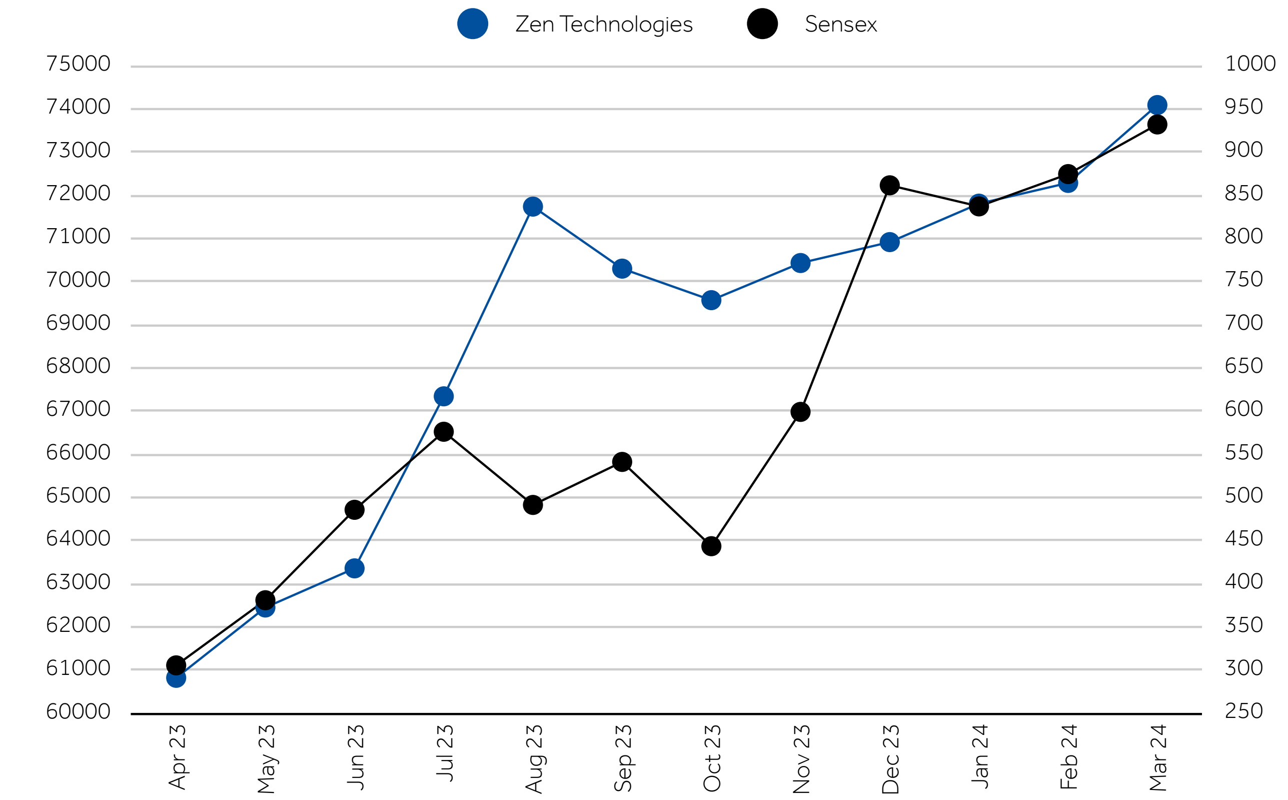
ISIN is a unique identification number allotted to dematerialised scrip. The ISIN has to be quoted in each transaction relating to dematerialised shares of the Company. The ISIN for the equity shares of the Company is INE251B01027.

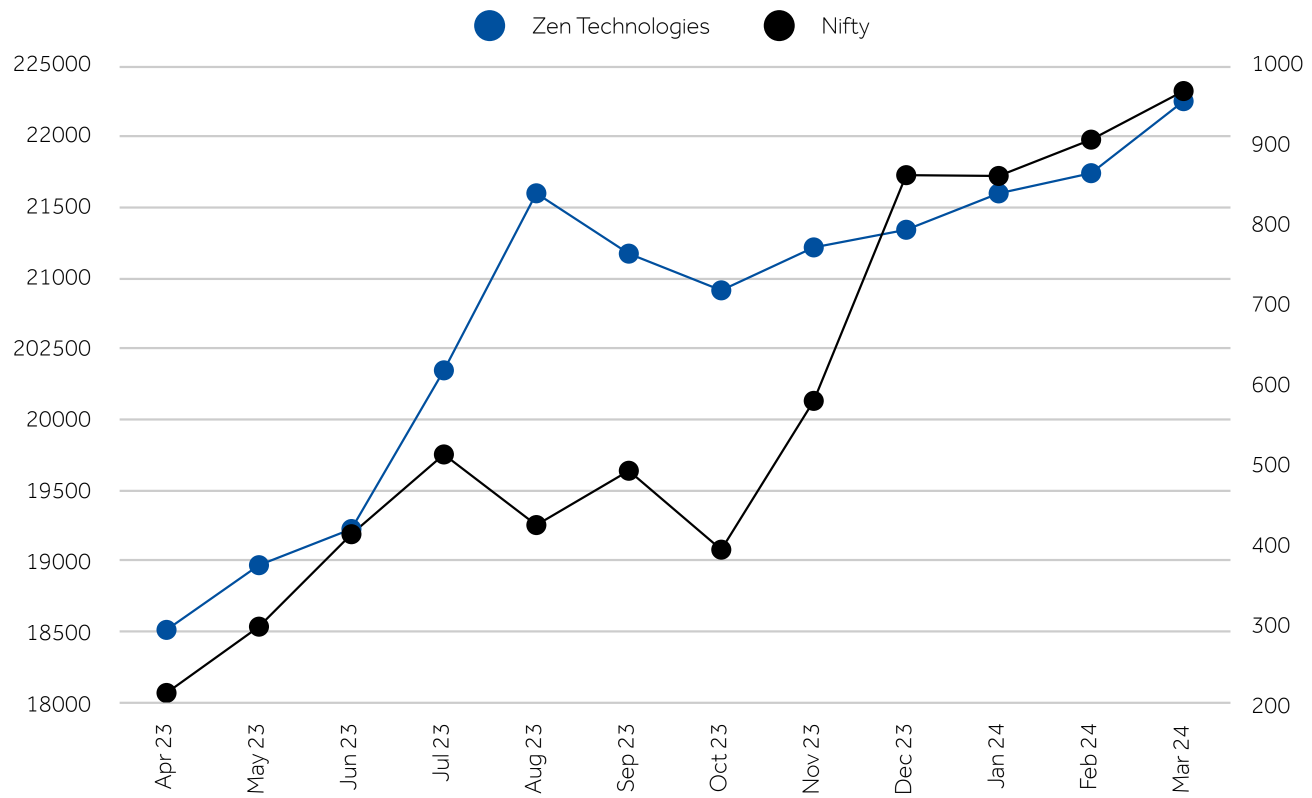
(f) Market price data - high, low during each month in last financial year:

Market price data: Daily high and low prices on BSE Limited and National Stock Exchange of India Limited during each month in the Financial Year 2023-24 are as follows:

Month	BSE			NSE		
	High (₹)	Low (₹)	No. of Shares traded	High (₹)	Low (₹)	No. of Shares traded
Apr-23	342.00	284.25	20,55,142	342.40	284.60	1,56,37,093
May-23	378.55	280.85	27,00,859	378.40	280.20	2,86,71,303
Jun-23	453.15	371.35	23,42,297	453.20	377.70	2,59,35,060
Jul-23	654.00	411.05	42,87,480	654.90	411.40	5,70,10,312
Aug-23	912.55	578.10	23,32,828	911.40	579.85	1,94,33,796
Sep-23	852.00	659.00	5,97,314	854.00	661.30	42,58,767
Oct-23	768.40	650.00	4,73,120	767.00	650.00	25,60,935
Nov-23	796.65	700.00	6,87,057	796.45	702.00	35,20,921
Dec-23	832.45	705.00	6,12,656	831.00	717.00	61,43,366
Jan-24	840.75	687.70	8,91,499	840.40	688.05	39,29,143
Feb-24	904.70	777.05	11,31,828	898.00	777.00	69,18,668
Mar-24	1000.00	812.05	8,89,210	999.65	814.50	73,66,431

(g) Performance of the share price of the Company in comparison to the broad based indices BSE SENSEX and NSE NIFTY:





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

(i) Registrars 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.
Phone: +91- 40 - 67161605
Fax: + 91- 40 - 23001153
E-mail ID: einward.ris@kfintech.com

(j) Share Transfer system:

The Company has appointed KFin Technologies Limited, Hyderabad, as Registrar and Share Transfer Agents for the purpose of carrying on the work relating to share transfers both physical and demat form. The requests received for transfer of shares from the shareholders are normally completed within prescribed time, subject to the documents being valid and complete in all respects. The Company obtains from Mr. D.S. Rao, Practicing Company Secretary, Hyderabad, Certificate of Compliance with share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and submit a copy of the said Certificate with BSE Limited and National Stock Exchange of India Limited.

As per the Listing Regulations, requests for effecting transfer of equity shares in physical form shall not be accepted by KFin Technologies Limited, Registrars and Transfer Agents/Company, w.e.f. April 1, 2019 unless the equity shares are held in the dematerialized form with a Depository. This was communicated to the members who hold the shares in physical form. The shareholders need to convert the shares to demat form compulsorily, if they wish to effect any transfer. However, the restriction is not applicable to the requests received for transmission or transposition of physical shares. All the shareholders, who hold the shares in physical form, are requested to dematerialize the shares at the earliest to avoid inconvenience in future, for transferring the shares.

(k) Distribution of Shareholding as on March 31, 2024:

Shareholding of nominal value of (₹)		Shareholders		Share Amount	
		*Number	% to Total	In (₹)	% to Total
1	5,000	172722	99.60	1,69,05,664	20.16
5,001	10,000	333	0.19	24,51,562	2.92
10,001	20,000	173	0.10	25,21,086	2.99
20,001	30,000	59	0.03	14,66,243	1.75
30,001	40,000	28	0.02	9,53,693	1.14
40,001	50,000	24	0.01	10,84,417	1.30
50,001	1,00,000	37	0.02	26,52,859	3.15
1,00,001 and Above		47	0.03	5,60,08,736	66.64
TOTAL			**100.00**		**100.00**

*No. of shareholders based on grouping of PAN.

(l) Dematerialization of shares and liquidity:

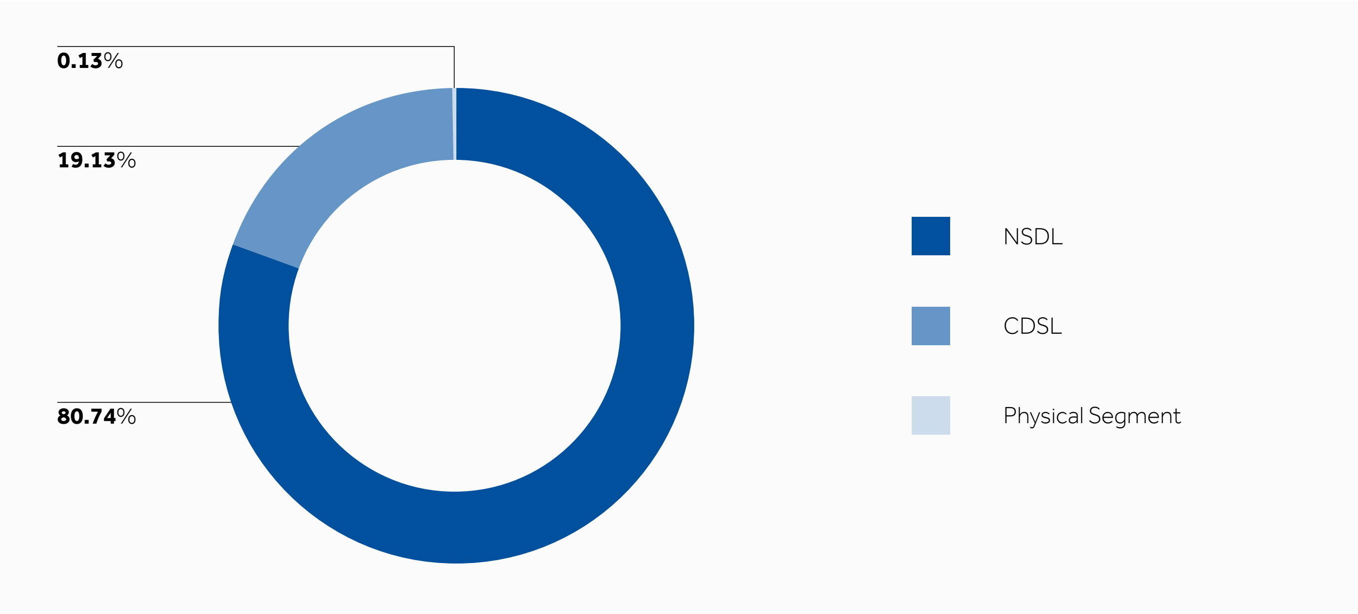
Dematerialization of shares as on March 31, 2024:

Number of shares	% of total Shares	Number of shareholders
8,39,38,990	99.87	1,47,300

*No. of shareholders based on grouping of PAN.

The break-up of equity shares in demat and physical form as on March 31, 2024, is as follows:

Particulars	No. of equity shares of ₹ 1/- each	% of Shares
Demat Segment		
NSDL	6,78,60,597	80.74
CDSL	1,60,78,393	19.13
Physical Segment	1,47,300	0.13
Total	**8,40,44,260**	**100.00**



(m) Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Compulsory Convertible Debentures and the convertible Warrants which were issued at the price of ₹ 213/- each on preferential basis on November 25, 2021, were due for conversion on May 24, 2023, and the Board of Directors on May 24, 2023, approved:

a) the allotment of 40,64,627 equity shares pursuant to the conversion of Compulsory Convertible Debentures to certain persons belonging to "Public Category" in terms of Chapter V of the SEBI (ICDR) Regulations, 2018.

b) the allotment of 4,69,633 equity shares pursuant to the conversion of convertible Warrants to certain persons belonging to "Promoter Category" in terms of Chapter V of the SEBI (ICDR) Regulations, 2018.

The amount so raised as per the above preferential issue was utilized for the objects approved by the shareholders at their meeting held on November 11, 2021 and there has been no deviation or variation in the utilization of the proceeds of the preferential issue.

The pre and post shareholding pattern considering full conversion of the CCDs and Convertible Warrants are as follows:

Sr. No.	Category of Shareholder	Pre-Issue (prior to May 24, 2024)		Post-Issue			
				As on May 24, 2023		As on March 31, 2024	
		Shares held	% of Total Holding	Shares held	% of Total Holding	Shares held	% of Total Holding
1	Promoters and Promoter Group	4,78,15,850	60.14%	4,82,85,483	57.45%	4,62,85,483	55.07%
2	Public holding	3,12,12,626	39.26%	3,52,77,153	41.97%	3,72,41,067	44.31%
3	Non Promoter - Non-Public	4,81,524	0.61%	4,81,524	0.57%	5,17,710	0.62%
Total		**7,95,10,000**	**100.00%**	**8,40,44,260**	**100.00%**	**8,40,44,260**	**100.00%**

(n) 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.

(o) Plant Location(s):

Maheswaram Manufacturing Unit:
Plot No.35, 36 & 37, Kancha Imarath,
Near Ravirala Village, Hardware Park,
Ranga Reddy District - 501 510, Telangana, India.

(p) Address for correspondence:

Company:
The Company Secretary and Compliance Officer
Zen Technologies Limited, B-42, Industrial Estate,
Sanathnagar, Hyderabad - 500 018, Telangana, India.
Phone: +91-40 - 23814894, 23813294
Fax: +91-40 – 23813694
E-mail ID: cosec@zentechnologies.com

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.
Phone: +91 -40 - 67161606
Fax: + 91- 40 - 23001158
E-mail ID: einward.ris@kfintech.com

(q) Credit Ratings obtained along with any revisions thereto:

CRISIL revised the credit ratings for total bank loan facilities of the Company in FY 2023-24 to **CRISIL A-/Stable** (Upgraded from 'CRISIL BBB/Positive') for Long Term loan facilities and **CRISIL A1** (Upgraded from 'CRISIL A3+') for Short Term bank loan facilities

12) OTHER DISCLOSURES:

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

During the year 2023-24, there was no materially significant related party transaction which had potential conflict with the interests of the Company at large. The details of the related party transactions are disclosed in the notes to accounts forming part of the Annual Report. In terms of Regulation 23 of the Listing Regulations, the Board has formulated a Related Party Transaction Policy and the same is made available on the website of the Company at: https://www.zentechnologies.com/policies-and-code-of-conduct

Related party disclosure as prescribed in Para A to Schedule V of the Listing Regulations is not applicable to the Company as there were no transactions in the nature of loans/advances with the subsidiary Companies.

(b) The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by any of these authorities. None of the Company's listed securities is suspended from trading.

(c) The Company has established a mechanism for Whistle Blower Policy and no personnel had been denied to access the Audit Committee. The Policy is placed on the website of the Company under the web link: 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 is in compliance with all the mandatory requirements enumerated in the Listing Regulations and the Act read with rules made thereunder.

(e) The Company had formulated a policy for determining 'material' subsidiaries and the policy is available on the Company's website under the web link: https://www.zentechnologies.com/policies-and-code-of-conduct

(f) The Board has formulated a policy for related party transactions and revised it in light with the Listing Regulations and including any statutory modification and re-enactment thereof which is available on the Company's website under the web link: https://www.zentechnologies.com/investor_relations/Related-Party-Transaction-policy.pdf

(g) The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities.

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

During the year under review, there were no proceeds through preferential allotment or qualified institutions placement.

(i) 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.

(j) Whether the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year: **No**

(k) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: ₹ **8.85 Lakhs**

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year: **Nil**

b. number of complaints disposed of during the financial year: **N.A.**

c. number of complaints pending as on end of the financial year: **Nil**

(m) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ Companies in which directors are interested by name and amount':

Nil and Not applicable.

(n) Details of material subsidiaries of the listed entity:

Name of material subsidiary	Unistring Tech Solutions Private Limited.
Date and place of incorporation	February 6, 2007, Hyderabad.
The name of the statutory auditors	VSRA & Associates, Hyderabad.
Date of appointment of Statutory Auditors	September 30, 2021.

(o) Non-compliance of any requirement of corporate governance report as prescribed in the Listing Regulations:

Nil

(p) The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

Discretionary Requirements

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

i. The Board:

Since the Chairperson is an Executive Chairman, the maintenance of Office by the Non-Executive Chairperson at the Company's expense is not applicable.

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. There are no modified opinions in the Audit Reports.

iv. Reporting of internal auditor:

The Internal auditor reports to the Chairman of the Audit Committee directly.

i) 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

Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges:

As required under Regulation 30 of the Listing Regulations, the Board of Directors of the Company approved the Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges and has been hosted on the website of the Company at the following link: https://www.zentechnologies.com/policies-and-code-of-conduct

Preservation of Documents:

The Company adopted the policy on preservation of documents in accordance with the Regulation 9 of the Listing Regulations, which was placed on the Website of the Company at https://www.zentechnologies.com/policies-and-code-of-conduct

Corporate governance requirements with reference to Subsidiary Companies:

During the year under review, pursuant to Regulation 24 of the Listing Regulations, Mr. Ajay Kumar Singh, Independent Director of the Company, has been appointed as a Director on the Board of Directors of Unistring Tech Solutions Private Limited (UTS), an unlisted material subsidiary of the Company.

Further, pursuant to Regulation 24 of Listing Regulations, the financial statements, significant transactions, investments and the minutes of the Board meetings of the subsidiary companies are considered at the meetings of the Audit committee/Board of Directors of the Company, as the case may be.

Prohibition of Insider trading:

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct for Prohibition of Insider Trading. This Policy also provides for periodical disclosures from the designated employees as well as pre-clearance of transactions by such persons.

The code is applicable to all Insiders who are likely or may reasonably be expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

Website:

The Company's website https://www.zentechnologies.com contains a separate dedicated section: 'Investors', where shareholders' information is available. The Annual report of the Company is also available on the website in a user-friendly and downloadable form.

SEBI Complaints Redress System (SCORES):

The Investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Compliance certificate:

A compliance certificate under Regulation 17(8) of the Listing Regulations, signed by the Company's Chairman and Managing Director and Chief financial Officer is enclosed separately to this Report.

Compliance certificate from practicing Company secretaries regarding compliance of conditions of corporate governance:

Compliance certificate from Mr. D. S. Rao, Practicing Company Secretary, regarding compliance of conditions of corporate governance pursuant to para E of Schedule V to Listing Regulations is enclosed separately to this Report.

Disclosures in respect of demat suspense account/ unclaimed suspense account as on March 31, 2024:

Not applicable

Disclosure of agreements pursuant to clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations binding listed entities:

Nil

DECLARATION BY THE MANAGING DIRECTOR UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of Zen Technologies Limited

I, Ashok Atluri, Chairman and Managing Director of Zen Technologies Limited, declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the year ended March 31, 2024.

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Date: July 28, 2024
Place: Hyderabad

Compliance Certificate

CERTIFICATION BY CHAIRMAN AND MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

We, Chairman & Managing Director and Chairman and Managing Director of Zen Technologies Limited, certify that:

1. We have reviewed financial statements and the cash flow statement of the Company, both Standalone and Consolidated, for the financial year ended March 31, 2024, and that to the best of our knowledge and belief:

   - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   - These statements together present a true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

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

   a) Significant changes in internal control over financial reporting during the year;

   b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   c) That there have been no instances of significant fraud of which we have become aware, involving of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Zen Technologies Limited

Afzal Harunbhai Malkani
Chief Financial Officer

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Date: May 4, 2024
Place: Hyderabad

Practicing Company Secretaries' Certificate on Corporate Governance

To
The Members
Zen Technologies Limited
B-42, Industrial Estate, Sanathnagar,
Hyderabad- 500018.

I 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, 2024**, 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. My 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.

I conducted my examination of the Corporate Governance Report in accordance with the established systems and procedures selected by me depending on my judgement, including assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but are not limited to, verification of secretarial records and other information of the Company, as i deem necessary to arrive at an opinion.

Based on the procedures performed by me as mentioned above and according to the information and explanations provided to me, I am in the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended **March 31, 2024**.

I 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.

CS D.S. RAO
Practicing Company Secretary
ACS No.:12394
CP. No.: 14487
UDIN: A012394F000835361
Peer review Cer. no.: 1817/2022

Date: July 28, 2024
Place: Hyderabad

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.

I 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 my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the directors on the Board of the Company as stated below, for the financial year ending on March 31, 2024, 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	Mr. Ashok Atluri	Chairman & Managing Director	00056050
2	Mr. Kishore Dutt Atluri	Joint Managing Director	09691242
3	Mr. Ravi Kumar Midathala	Whole-Time Director	00089921
4	Mrs. Shilpa Choudari	Whole-Time Director	06646539
5	Mr. Ravindra Kumar Tyagi	Independent Director	01509031
6	Ms. Sirisha Chintapalli	Independent Director	08407008
7	Mr. Amreek Singh Sandhu[1]	Independent Director	08064880
8	Mr. Ajay Kumar Singh	Independent Director	08532830
9	Mr. Sanjay singh Jesrani[2]	Independent Director	02306916

[1]Retired as the Independent Director of the Company w.e.f. February 3, 2024

[2]Appointed as Independent Director of the Company w.e.f. January 27, 2024

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.

CS D.S. RAO
Practicing Company Secretary
ACS No.: 12394
CP. No.: 14487
UDIN: A012394F000835304
Peer review Cer. no.: 1817/2022

Date: July 28, 2024
Place: Hyderabad

Business Responsibility and Sustainability Reporting

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 ID	cosec@zentechnologies.com
7	Telephone	+91-40-23814894/F329417
8	Website	www.zentechnologies.com
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE & NSE
11	Paid-up Capital	₹ 8,40,44,260
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ashok Atluri Ph. No: 040-2381 4894/3294; 04023813281 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)	This report is made on Standalone Basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Description of Main Activity		Description of Business Activity	% of Turnover of the entity
a)	Manufacturing and Sale of Homeland security equipment and Simulators	Computer, electronic, Communication and scientific measuring & control equipment	92%
b)	Providing Training Solutions and other services	Other support services to organizations	8%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Product/Service		NIC Code	% of total Turnover contributed
a)	Manufacturing and Sale of Homeland security equipment and Simulators	26700	92%
b)	Providing Training Solutions and other services	85499	8%

III.Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location		Number of plants	Number of offices	Total
a)	National	1	3	4
b)	International	-	3	3

17. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States & Union Territories)	All States
International (No. of Countries)	9 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 18.62%.

c) A brief on types of customers:

Zen Technologies Limited ("Zen Technologies"/"Zen) has been operating since 1993, specializing in the provision of training systems and counter-drone solutions. We supply these cutting-edge resources to prestigious organizations like the Ministry of Defence (MOD, Got. Of India), friendly foreign Armed Forces, State police units, security forces, and paramilitary forces. With a strong focus on delivering high-quality services, we cater to the diverse needs of our esteemed clientele, contributing significantly to enhancing their training and security capabilities both domestically and internationally.

IV. Employees

18. Details as at the end of Financial Year:

a) Employees and Workers (including differently abled):

	Particulars	Total (A)	Male	(% of Total)	Female	(% of Total)
	Employees (including differently abled)					
1	Permanent	342	285	83.33%	57	16.66%
2	Other than Permanent	-	-	-	-	-
3	Total Employees	342	285	83.33%	57	16.66%
	Workers (including differently abled)					
1	Permanent	382	265	69%	117	31%
2	Other than Permanent	-	-	-	-	-
3	Total Workers	382	265	69%	117	31%

b) Differently abled Employees and Workers:

	Particulars	Total (A)	Male	(% of Total)	Female	(% of Total)
	Differently abled Employees					
1	Permanent	-	-	-	-	-
2	Other than Permanent	-	-	-	-	-
3	Total Employees	-	-	-	-	-
	Differently abled Workers					
1	Permanent	-	-	-	-	-
2	Other than Permanent	-	-	-	-	-
3	Total Workers	-	-	-	-	-

19. Participation/Inclusion/Representation of women:

Particulars	Total (A)	Female	(% of Total)
Board of Directors	8	2	25%
Key Management Personnel	2	-	-

20. Turnover rate for permanent employees and workers: (Disclose trends for the past 3 years):

Particulars	FY24			FY23			FY22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.85%	3%	11.85%	14.5%	2.7%	17.2%	19.6%	6.6%	26.3%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. 21. Holding, Subsidiary and Associate Companies (including joint ventures):

	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	Unistring Tech Solutions Private Limited	Subsidiary	51%	No
2	Zen Medical Technologies Private Limited	Subsidiary	100%	
3	Zen Defence Technologies L.L.C.	Subsidiary	99%	
4	Zen Technologies USA INC	Subsidiary	100%	

VI. 22. CSR Details:

1. Whether CSR is applicable as per Section 135 of Companies Act, 2013:

Yes, CSR is applicable to Zen Technologies Limited

2. Turnover (in ₹): 4,30,27,51,326

3. Net worth (in ₹): 4,53,12,66,000

VII. Transparency and Disclosures Compliances

23. 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 (If Yes, then provide web-link for grievance redress policy)	FY24			FY23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	https://www.zentechnologies.com/investor-contacts	Nil					
Investors (other than shareholders)							
Shareholders	https://www.zentechnologies.com/investor_relations/Whistle-Blower-Policy.pdf						
Employees and workers							
Customers	https://www.zentechnologies.com/Zen-Technologies-SHP.pdf						
Value Chain Partners							
Other (please specify)							

24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Technological Advancements and Innovation	Opportunity	Identifying and capitalizing on technological advancements and fostering innovation can give Zen Technologies Limited a competitive edge, leading to the development of cutting-edge products and services, increased market share, and improved customer satisfaction.	NA	Potential revenue growth, cost savings through improved efficiency, and increased profitability.
2	Government Regulations and Policies	Risk and Opportunity	Adherence to government regulations is critical to avoid penalties and maintain a favourable business environment. On the other hand, favourable policies can present opportunities for Zen Technologies Limited to secure government contracts and incentives.	Stay informed about changing regulations, maintain compliance, and actively engage with policymakers for favourable policies.	Non-compliance may lead to fines and reputational damage, while compliance can lead to increased business opportunities and potential cost savings.
3	Geopolitical and Economic Stability	Risk and Opportunity	Zen Technologies Limited's operations may be affected by geopolitical tensions and economic fluctuations in different regions where it operates or sells its products.	Diversify markets, assess geopolitical risks, and implement risk management strategies.	Instability can lead to market volatility and impact revenue, while stability can provide growth opportunities in stable markets.
4	Customer Satisfaction and Retention	Opportunity	Satisfied customers are more likely to be loyal and recommend Zen Technologies Limited's products and services to others, leading to increased sales and a positive brand image.	NA	Increased customer retention can lead to higher recurring revenue and reduced marketing costs for acquiring new customers.
5	Cybersecurity and Data Privacy	Risk	As a technology company dealing with sensitive data, the risk of cybersecurity breaches and data privacy violations can lead to legal liabilities, reputational damage, and financial losses.	Implement robust cybersecurity measures, conduct regular security audits, and comply with data protection regulations.	Data breaches can result in financial losses, legal penalties, and damage to the company's reputation.
6	Talent Acquisition and Retention	Opportunity and Risk	Attracting and retaining skilled and talented employees is crucial for the company's growth and success. On the other hand, high employee turnover can lead to increased recruitment costs and loss of valuable expertise	Offer competitive compensation packages, career development opportunities, and foster a positive work culture.	Effective talent management can result in increased productivity and reduced recruitment costs, while high turnover can lead to higher expenses and lower productivity.

24. 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)
7	Supply Chain Disruption	Risk	Identifying the risk of supply chain disruption is crucial as it can lead to production delays, increased costs, and customer dissatisfaction.	The company maintains a diversified supplier base, conducts regular risk assessments, and establishes contingency plans to mitigate supply chain disruptions. Collaborative relationships with suppliers and real-time monitoring also contribute to timely responses to potential disruptions.	Proper risk management helps minimize financial losses associated with supply chain disruptions, such as production downtime and increased operational expenses.
8	Capacity or Infrastructure Constraint	Opportunity and Risk	Recognizing capacity or infrastructure constraints is essential to ensure optimal resource allocation and prevent operational bottlenecks that may impede growth.	The company continuously invests in capacity expansion and infrastructure development based on demand forecasts. This proactive approach enables seamless operations and supports business growth. Additionally, partnerships and collaborations can help address temporary capacity constraints.	Adequate capacity and infrastructure planning enhance operational efficiency, reduce disruptions, and support revenue growth by meeting customer demands effectively.
9	Dependence on Outsourcing to External Vendors for Manufacturing Sub-systems	Opportunity and Risk	Recognizing the dependence on external vendors for manufacturing sub-systems helps assess potential risks to quality control, delivery timelines, and cost fluctuations, as well as opportunities for collaboration and innovation.	The company employs stringent vendor selection criteria, quality control processes, and regular performance assessments to ensure consistent and reliable supply. Exploring strategic partnerships and joint development initiatives can also enhance collaboration with vendors.	Effective vendor management contributes to stable costs, high-quality products, and innovation, positively impacting the company's financial performance.
10	Financial Risk - Timely Availability of Fund Based and Non-fund Based Finance	Risk	Recognizing financial risks associated with the timely availability of fund-based and non-fund-based finance is crucial to ensure uninterrupted business operations and growth plans.	The company maintains strong banking relationships, diversifies funding sources, and regularly assesses financial requirements. Developing contingency plans and optimizing working capital management help mitigate the risk of financial constraints.	Effective financial risk management safeguards against potential cash flow disruptions, penalties, and missed growth opportunities, ensuring the company's financial stability, and supporting strategic initiatives.

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.

Disclosure Questions			P1	P2	P2	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c.	Web Link of the Policies, if available	**P1:** 1. https://www.zentechnologies.com/assets/uploads/files/business-responsibility-policy.pdf 2. https://www.zentechnologies.com/investor_relations/Zen-Risk-Management-Policy.pdf 3. https://www.zentechnologies.com/investor_relations/CODE-OF-CONDUCT-FOR-THE-BOARD-MEMBERS.pdf 4. https://www.zentechnologies.com/investor_relations/code-of-conduct-for-senior-management.pdf 5. https://www.zentechnologies.com/investor_relations/code-of-practices-and-procedures-for-fairdisclosure-of-upsi.pdf 6. https://www.zentechnologies.com/investor_relations/code-of-conduct-to-regulate-monitor-and-report-trading-by-insiders-(effective-from-01.04.2019).pdf 7. https://www.zentechnologies.com/investor_relations/Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-Insiders.pdf 8. https://www.zentechnologies.com/investor_relations/Familiarization-Program-for-Independent-Directors.pdf **P2:** 1. https://www.zentechnologies.com/assets/uploads/files/business-responsibility-policy.pdf **P3:** 1. https://www.zentechnologies.com/assets/uploads/files/business-responsibility-policy.pdf 2. Code of conduct for Employees **P4:** 1. https://www.zentechnologies.com/assets/uploads/files/business-responsibility-policy.pdf 2. https://www.zentechnologies.com/investor_relations/CSR-Policy.pdf **P5:** 1. https://www.zentechnologies.com/assets/uploads/files/business-responsibility-policy.pdf								

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	**P1**	**P2**	**P2**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
		P6: 1. https://www.zentechnologies.com/assets/uploads/files/business-responsibility-policy.pdf **P7:** 1. https://www.zentechnologies.com/assets/uploads/files/business-responsibility-policy.pdf **P8:** 1. https://www.zentechnologies.com/assets/uploads/files/business-responsibility-policy.pdf 2. https://www.zentechnologies.com/investor_relations/CSR-Policy.pdf **P9:** 1. https://www.zentechnologies.com/assets/uploads/files/business-responsibility-policy.pdf								
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	No	No	No	No	No	No	No	No
4.	Name of the national and international codes/certifications/labels/standards adopted by your entity and mapped to each principle.	Zen Technologies aligns its policies with globally recognized standards and practices, such as ISO 9001:2015 for quality management systems and ISO/IEC 27001:2013 for information security management systems. By adhering to these international standards, the company demonstrates its commitment to ensuring high-quality products and services and safeguarding sensitive information with robust security measures.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	This year, Zen has made significant progress in our sustainability initiatives. We have implemented water meters to accurately measure water usage and have expanded our efforts to include regular training and awareness sessions on sustainability, particularly in our R&D department. These initiatives are part of our ongoing commitment to improving our sustainability practices. Moving forward, we will continue to review and enhance our sustainability parameters, identifying new areas for improvement and further embedding sustainability into our organizational culture.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	In our second year of Business Responsibility and Sustainability Reporting, Zen has made significant progress in its sustainability initiatives. With guidance and advice from The Energy and Resources Institute (TERI), we studied the environmental benefits of simulator training, revealing substantial savings in GHG emissions. We also conducted various training and awareness sessions to enhance sustainability practices within the organization. We are committed to setting more defined goals and continually improving our sustainability performance.								

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)	Please refer page no: 18
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Ashok Atluri Chairman & Managing Director +91 40 23813281 E-mail: cosec@zentechnologies.com, info@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**
	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.
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with all applicable regulations.
	Subject for Review	**Frequency (Annually/Half yearly/Quarterly/Any other - please specify)**
	Performance against above policies and follow up action	Periodically whenever required
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Periodically whenever required
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.	Yes, Zen Technologies regularly conducts audits and internal reviews of all policies and processes. These assessments are performed periodically by the company to ensure compliance, effectiveness, and continuous improvement in its operations.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
b.	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
c.	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
d.	It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
e.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

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:

<table>
<tr><th>Segment</th><th>Total number of training and awareness programmes held</th><th>Topics/principles covered under the training and its impact</th><th>%age of persons in respective category covered by the awareness programmes</th></tr>
<tr><td>Board of Directors</td><td colspan="3" rowspan="2">Throughout the year, Zen Technologies conducted several training and awareness programs for its Directors and Key Management Personnel (KMPs) to ensure comprehensive understanding and adherence to our sustainability principles. These sessions included updates on the company's overall performance, macroeconomic and market reviews, equity performance, earnings outlook, strategy, business model, operations, service and product offerings, and CSR fund allocation. Senior Function Heads also participated in these meetings, enhancing their insights into various aspects of the business and strengthening their commitment to our sustainability principles.</td></tr>
<tr><td>Key Managerial Personnel</td></tr>
<tr><td>Employees other than BoD and KMPs</td><td colspan="3" rowspan="2">Zen Technologies offers comprehensive orientation and on-the-job training programs aimed at deepening employees' understanding of the company's operations and fostering their professional growth. Additionally, all managers participate in weekly training sessions focused on enhancing organizational effectiveness. These initiatives are crafted to enhance employee performance and nurture their overall development within the organization. Furthermore, every department conducts internal training sessions to continually improve knowledge and skills. Management fully supports and encourages these initiatives.</td></tr>
<tr><td>Workers</td></tr>
</table>

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):

During the Financial Year 2023-2024, Zen Technologies Showcased its ethical and transparent practices across all its operations, resulting in a clean record without any fines, penalties, punishments, awards, compounding fees, or settlement amounts imposed by regulators, law enforcement agencies, or judicial institutions.

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:

Yes, Zen Technologies places paramount importance on transparency and ethical conduct in all aspects of its business operations. The company's Non-Disclosure Agreement with every employee/worker/vendor/consultants/professionals incorporates provisions specifically addressing anti-corruption and anti-bribery measures. Serving as a comprehensive guideline, the process sets forth the ethical and responsible business standards that are to be strictly adhered to by management, employees, agents, suppliers, vendors, and business partners.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

The Directors, Key Management Personnel (KMPs), and employees of the Company consistently demonstrate ethical and transparent behaviour. As a result, no disciplinary action has been initiated by any law enforcement agency against them for charges related to bribery.

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

	FY24		FY23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
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 related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on 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:

	FY24	FY23
Number of days of accounts payable	70	33

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.

	FY24	FY23	Details of improvements in environmental and social impacts
R&D	3.18%	11.68%	The research and development department at Zen Technologies is committed to producing simulators that align with global and local standards and requirements. This year, our primary objective has been to further enhance the environmental and social impacts of our products. By prioritizing sustainability and social responsibility, we aim to deliver innovative solutions that contribute positively to both the environment and society.
Capex	-	-	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No, the entity does not currently have formal procedures specifically dedicated to sustainable sourcing. However, sustainability is an important value for Zen Technologies, and we are actively integrating sustainable practices into our operations. We are committed to adopting responsible sourcing practices in the future to minimize environmental impacts, uphold ethical standards, and contribute positively to the communities and regions from which we source our materials.

While formal procedures are not yet in place, we are taking steps towards sustainability. For instance, a study by The Energy and Resources Institute (TERI), supported by Zen Technologies, highlighted significant environmental and economic benefits of using simulators for military training. According to TERI's analysis, the use of simulators can result in substantial cost savings and a significant reduction in greenhouse gas emissions over time.

We are dedicated to improving our practices to align with sustainable sourcing principles and industry best practices, and we are working towards developing formal procedures to meet the expectations of our stakeholders.

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 cutting-edge combat training solutions for global defense and security forces, we want to be transparent with our stakeholders about our waste management practices. We currently do not have a system in place to reclaim products once they are 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.

As part of our commitment to environmental responsibility, Zen Technologies acknowledges the importance of Extended Producer Responsibility (EPR) for electronic waste and plastic waste generated by our products. We understand that once the simulators are sold, they do not come back to the company, making it challenging to reclaim the products.

At present, we do not have a dedicated mechanism to recycle the products and waste.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. Details of measures for the well-being of employees and workers:

Category	Total (A)	% of employees and workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (B)	% (B/A)	Number (B)	% (B/A)	Number (B)	% (B/A)	Number (B)	% (B/A)
Permanent employees											
Male	285	285	100.00%	285	100.00%	-		-	-	-	-
Female	57	57	100.00%	57	100.00%	57	100.00%	-	-	-	-
Total	**342**	**342**	**100.00%**	**342**	**100.00%**	**57**	**100.00%**	**-**	**-**	**-**	**-**
Permanent Workers											
Male	All eligible workers are covered under ESI Act.										
Female											
Total											

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Benefits	FY24			FY23		
	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%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	15%	100%	Yes	13%	75%	Yes
NPS	-	-	-	-	-	-
Superannuation	-	-	-	-	-	-

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.

Zen Technologies does not currently have the necessary infrastructure to make workplaces accessible to differently abled employees and workers. We recognize the importance of providing an inclusive work environment and are committed to taking the necessary steps to improve accessibility in the future. As part of our ongoing efforts to promote diversity and equal opportunities, we will actively work on implementing infrastructural arrangements to cater to the needs of differently abled individuals, ensuring their full participation and comfort within our organization.

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 Technologies may not have a specific written policy addressing the issue directly, but the principles of non-discrimination and equal treatment are deeply ingrained within the company's Employees Code of Conduct. This code sets the expected standards of behaviour for all employees, emphasizing the importance of treating each individual with fairness and respect.

Moreover, Zen Technologies is unwavering in its commitment to maintaining an inclusive and equitable environment, regardless of gender, caste, creed, religion, or disability status. The company upholds the core principle of non-discrimination, striving to create a workplace that values diversity and treats all employees with equality and dignity. This dedication reflects Zen's strong belief in fostering a culture of respect and inclusivity, where everyone can thrive and contribute to the company's success.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

The return to work and retention rates of permanent employees and workers who took parental leave stand at an impressive rate of 100%, reflecting the company's commitment to fostering a supportive and inclusive work environment that enables seamless transitions back to work after parental leave. This achievement underscores our dedication to ensuring a positive work-life balance and nurturing long-term career growth for our employees.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

	Yes/No If Yes, then give details of the mechanism in brief
Permanent Workers	Zen Technologies prioritizes the well-being and feedback of its employees and workers by providing multiple channels to raise grievances and concerns. In addition to the Prevention of Sexual Harassment (POSH) committee and the Whistle Blower platform, the company offers various forums for employees to voice their complaints and share suggestions. These options encompass Business HR intervention, team meetings, quarterly business update meetings, and meetings with the Management.By offering these accessible avenues, Zen Technologies ensures that employees can comfortably express their concerns and contribute their valuable ideas, fostering a supportive and inclusive work environment.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Not Applicable

8. Details of training given to employees and workers:

Category	FY24					FY23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (B)	% (B/A)		No. (B)	% (B/A)	No. (B)	% (B/A)
Employees										
Male	285	265	94.00%	260	76.00%	222	214	96.30%	188	84.70%
Female	57	56	98.00%	50	88.00%	36	35	97.20%	30	83.30%
Total	**342**	**321**	**94.00%**	**310**	**91.00%**	**258**	**249**	**96.50%**	**218**	**84.50%**
Workers										
Male	265	240	91.00%	200	75.00%	137	133	97.00%	116	84.70%
Female	117	117	100%	95	81.00%	62	62	100%	52	83.90%
Total	**382**	**357**	**93.00%**	**295**	**86.00%**	**199**	**195**	**97.90%**	**168**	**84.40%**

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

Category	FY24			FY23		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
Employees						
Male	285	150	53%	222	139	63%
Female	57	30	53%	36	15	42%
Total	**342**	**184**	**54%**	**258**	**154**	**60%**
Workers						
Male	265	120	45%	137	45	33%
Female	117	50	43%	62	15	24%
Total	**382**	**170**	**50%**	**199**	**60**	**30%**

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, the coverage such system?

Yes, Zen Technologies has implemented a comprehensive occupational health and safety management system across all units. The system includes a clear Environmental, Health, and Safety (EHS) policy and is supported by extensive documentation such as Health and Safety Manuals, Operational Control Procedures (OCP), Work Instructions, and Emergency Preparedness Plans. To ensure continuous adherence to safety standards, internal auditor training and regular audits are conducted. Additionally, plant-level safety committee meetings are held to address and improve safety measures. Zen Technologies is dedicated to exceeding health and safety standards, fostering a culture of continuous improvement, and promoting adherence to international standards and best practices. This commitment ensures a safe and secure work environment where the health and well-being of employees are paramount, reinforcing the company's dedication to employee welfare and overall organizational growth.

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 employs a robust process to identify work-related hazards and assess risks both on a routine and non-routine basis. Regular safety drills are conducted to evaluate and enhance the effectiveness of safety protocols, ensuring preparedness for various scenarios. Open communication channels with on-site personnel are maintained to gather real-time feedback on encountered or anticipated hazards. This feedback is meticulously analyzed to identify risks and develop comprehensive mitigation strategies. By prioritizing routine safety assessments and fostering active engagement with employees, Zen Technologies demonstrates its unwavering commitment to maintaining a secure work environment. This proactive approach ensures the continuous improvement of safety measures, reflecting the company's dedication to the well-being and protection of its workforce.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, Zen Technologies has established processes for workers to report work-related hazards and remove themselves from such risks. The company actively monitors and addresses potential hazards to maintain a safe working environment. Zen values the feedback from its workers, leveraging their first-hand experiences and observations to identify areas for improvement and implement necessary measures to mitigate risks. Employees are encouraged to report any safety concerns promptly and are empowered to remove themselves from hazardous situations without fear of reprisal. By adopting a proactive approach to hazard monitoring and involving workers in the feedback process, Zen demonstrates its unwavering commitment to workplace safety. This approach not only ensures the well-being of its employees but also fosters a culture of safety and productivity.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, Zen Technologies prioritizes the availability of non-occupational medical and healthcare services for its employees. The company provides access to these services either on-site or through partnerships with trusted nearby medical facilities. Additionally, Zen emphasizes the importance of training its personnel to respond effectively to medical emergencies. Comprehensive training programs ensure that employees are prepared to handle emergency situations and provide necessary assistance until professional medical help arrives. These measures reflect Zen's commitment to the well-being of its workforce, promoting a safe and healthy working environment that extends beyond occupational health requirements.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY24	FY23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Zen Technologies is dedicated to ensuring a safe and healthy workplace through a robust and comprehensive set of policies and practices. Our business responsibility policy covers key areas such as competence building, training, occupational health, inspection systems, audits, procurement, contractors' control, and risk assessments. These policies are meticulously designed to proactively identify, assess, and mitigate potential risks.

We prioritize compliance with all relevant statutory requirements concerning preventive healthcare and occupational health and safety. Zen Technologies has established a proactive process that systematically identifies hazards, determines appropriate controls to eliminate or minimize risks to acceptable levels, and identifies relevant risks and opportunities within the occupational health and safety management system.

Additionally, we conduct regular safety drills and training sessions to ensure that our employees are well-prepared to handle emergency situations. We also maintain open communication channels for employees to report any safety concerns promptly. By fostering a culture of safety and continuous improvement, Zen Technologies underscores its unwavering 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:

Category	FY24			FY23		
	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	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	

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.

Ensuring a safe and secure work environment is a top priority at Zen Technologies. We take proactive measures to address safety-related incidents and risks identified through assessments of health and safety practices and working conditions. This includes:

Prominently displaying Standard Operating Procedures (SoPs) throughout our facilities to enhance employee awareness of safety protocols.

Organizing regular safety training programs to educate our workforce on the latest safety practices and ensure compliance with Personal Protective Equipment (PPE) requirements.

Providing clear work instructions and safe practices readily available to guide employees.

Conducting frequent safety inspections and thorough accident investigations to promptly identify and mitigate hazards.

Holding regular safety committee meetings, inspections, and audits to proactively manage risks.

Implementing recommendations from regulatory authorities to ensure compliance with safety audits and regulations.

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:

Zen is developing a formal Stakeholder Engagement Framework to identify key stakeholders. This process includes:

Dependency: Identifying groups or individuals who rely on Zen's activities, products, or services, or on whom Zen relies for its operations.

Responsibility: Recognizing groups or individuals to whom Zen has, or may have, legal, commercial, operational, or ethical responsibilities.

Attention: Highlighting groups or individuals who require immediate attention from Zen on financial, economic, social, or environmental issues.

Influence: Determining groups or individuals who can impact Zen's strategic or operational decision-making.

Diverse perspectives: Considering groups or individuals who offer different viewpoints that can provide new insights and identify opportunities for action.

By considering these factors, Zen ensures thorough stakeholder identification, facilitating effective engagement and collaboration to address the needs and concerns of various groups.

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	Personalised learning and development programmes. Regular performance review and feedback. One-on-one engagement, town hall meetings. Employee engagement surveys. Programmes catered around overall wellbeing. Intranet Portal. Emails, Notice Board, Meetings	Regular (daily/ weekly)	The purpose is to foster an open forum for employee concerns and improve company culture. Key topics include communication, feedback, and addressing employee concerns. Concerns involve unresolved issues, low trust, and morale. Meetings facilitate communication and decision-making. Key topics are agendas, participation, and outcomes. Concerns include ineffective meetings, lack of follow-up, and low attendance. Suggestion schemes encourage innovative ideas and operational improvements. Key topics are suggestion submissions, evaluation criteria, and implementation. Concerns include inadequate incentives, lack of follow-up, and low engagement. Enquiries investigate and resolve issues. Key topics are the enquiry process, documentation, and stakeholder communication. Concerns involve unresolved issues, lack of transparency, and negative impact on company culture.
Customers and Suppliers	No	Partnering with customers in their transition from products to services. Utilizing one-on-one interactions, customer satisfaction surveys, and feedback calls after addressing complaints. Providing customer service helpline and communication channels including email, telephone, and physical meetings as needed. Leveraging emails, supplier portals, collaborative platforms, supplier forums, and periodic face-to-face meetings for effective engagement.	Fortnightly	Addressing customer queries, suggestions, and complaints for improved satisfaction and brand reputation. Understanding customer requirements to enhance products and services. Gathering feedback from suppliers and evaluating their performance for better collaboration and quality. Supporting supplier capacity building and fostering collaborative innovation. Ensuring ethical and sustainable practices throughout the supply chain.

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year: (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 Meeting, Shareholder meets, email, Stock Exchange (SE) intimations, investor/analysts meet/ conference calls, annual report, quarterly results, media releases and Company/SE website. E-mail, Notice, Investor Calls & Newspaper advertisements.	Quarterly/ annually and whenever required	Evaluating financial performance and stability for growth: Share price trends, dividends, profitability, and financial statements. Concerns include volatility, fluctuating dividends, low profitability, and financial risks. Addressing shareholder queries, suggestions, complaints, and providing assurance. Concerns include poor communication, unresolved issues, lack of transparency, and declining investor confidence. Identifying shareholder expectations and aligning operations and strategies: Shareholder demographics, engagement, and feedback mechanisms. Concerns include divergent expectations, lack of engagement, and inadequate feedback mechanisms.
Bankers	No	Periodical Meetings	Need basis	Understanding banking compliance, maintaining rapport with bankers, and managing banking/ credit facilities. Key topics include regulations, compliance, credit facilities, and relationship management. Concerns involve non-compliance, strained relationships, and limited access to credit facilities.
Board of Directors	No	Engaging with Board members through regular meetings to discuss company performance, strategy, and challenges. Engaging with specific Board committees for focused updates on specific areas. Providing regular reports on company performance and progress. Providing informal updates through various channels.	Quarterly and on any event/need basis.	The Board of Directors is reviewing the company's business operations, planning, and strategies to identify improvement opportunities. Key topics include the business model, operational efficiency, growth strategies, risk management, and financial performance. Concerns involve poor performance, outdated strategies, lack of innovation, and insufficient risk management.
Government/ Regulatory Authorities	No	E-mails and letters, Conferences, Industry forums. Regulatory filings, Meetings with officials, Representations.	On periodical basis whenever required	Zen strives to achieve strong performance and execute its strategic objectives. We actively engage with public and business concerns, seeking to understand and contribute to insightful discussions surrounding these issues. We believe in addressing responsible business matters in a proactive manner. By aligning our response to such concerns, Zen aims to demonstrate our commitment to responsible and ethical business practices.

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	FY24			FY23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	342	342	100	-	-	-
Other than permanent	-	-	-	-	-	-
Total Employees	**342**	**342**	**100**	**-**	**-**	**-**
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	382	382	100	-	-	-
Total Workers	**382**	**382**	**100**	**-**	**-**	**-**

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

Category	FY24					FY23				
	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	285	-	-	285	100%	222	-	-	222	100%
Female	57	-	-	57	100%	36	-	-	36	100%
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	265	-	-	265	100%	137	-	-	137	100%
Female	117	-	-	117	100%	62	-	-	62	100%

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

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	6	7,51,73,709	2	39,50,354
Key Managerial Personnel	2	75,19,999		-
Employees other than BoD and KMP	285	4,85,222	57	5,62,500
Workers	265	2,25,540	117	2,04,417

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)

Yes, Zen Technologies Limited has a dedicated committee responsible for addressing human rights impacts and issues related to the business. This committee ensures compliance with international human rights standards and actively works to identify, mitigate, and resolve any potential human rights risks. The committee is instrumental in promoting human rights awareness and implementing best practices throughout the company's operations and supply chain. This year, we have strengthened our commitment by expanding the committee's mandate to include regular training sessions and audits to ensure continuous improvement in our human rights practices.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Zen Technologies actively promotes human rights through its Code of Conduct and Standing Orders. These documents outline the company's commitment to upholding fundamental human rights principles and standards within its operations. In addition, Zen has established a Whistle Blower and Protection Policy that allows employees to confidentially report any violations or concerns related to human rights. The company encourages a culture of accountability, transparency, and ethical conduct, ensuring that reported concerns are promptly and appropriately addressed. By fostering such a culture, Zen strives to create a workplace where human rights are respected and protected, aligning with its commitment to social responsibility and ethical practices.

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

Category	FY24			FY23		
	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	Throughout the reporting period, Zen received no complaints pertaining to any human rights issues.					
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights related issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY24	FY23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Throughout the reporting period, Zen received no complaints pertaining to any Sexual Harassment issues	
Complaints on POSH as a % of female employees/workers		
Complaints on POSH upheld		

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Zen Technologies Limited's Whistle Blower & Protection Policy places significant emphasis on confidentiality and protection against victimization. The policy enables confidential or anonymous reporting of wrongful conduct, with strict measures to maintain confidentiality and conduct thorough investigations. Breaches of confidentiality are treated seriously to ensure a safe reporting environment. This policy fosters a trusting atmosphere where stakeholders can report wrongdoing without fear of retaliation, promoting accountability, transparency, and ethical standards within the organization. By prioritizing the protection of all stakeholders' rights, Zen ensures a culture of integrity and compliance with the highest ethical principles.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

At Zen Technologies, we are committed to ensuring that our agreements consistently reflect values and principles that promote responsible and sustainable practices throughout our supply chain. Our top priority is the well-being and safety of individuals, ethical conduct, and the respect for human rights. Through transparent collaboration with our partners, we actively strive to create a positive impact on people, the environment, and the communities we operate in. By upholding these values, we aim to foster a culture of integrity and sustainability, contributing to the betterment of society and the protection of our planet for future generations.

10. Assessments for the year:

	% 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%
Others - please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

During the self-assessment process and through diligent evaluation by our customers, Zen Technologies has not identified any significant risks or concerns. This positive outcome reflects our commitment to maintaining high standards of quality, safety, and ethical practices in our operations and products. We will continue to be proactive in assessing and addressing any potential issues to ensure the satisfaction and trust of our customers and stakeholders.

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	FY24	FY23
Total electricity consumption (A)	2406.51	1950.37
Total fuel consumption (B)	106.27	139.99
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	2512.78	2090.36
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	5.84×10−7GJ/ INR	0
Energy intensity (optional) - the relevant metric may be selected by the entity	0.0584 GJ/INR 1 Lakh	0.13 GJ/INR 1 Lakh

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, Zen Technologies has not conducted any assessment, evaluation, or obtained assurances from an external agency. The company is committed to continuously improving its practices and remains open to exploring opportunities for third-party assessments in the future to ensure transparency and build trust with its customers and stakeholders.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, Zen Technologies does not have any site identified as Designated Consumers (DCs) under the Perform, Achieve, and Trade (PAT) scheme. This indicates that the company is not currently covered under the PAT scheme, which aims to promote energy efficiency and conservation in industries designated as DCs by the government.

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

Water withdrawal by source (in kilolitres)	At Zen Technologies Limited, currently we do not have processes that consume water except for domestic purposes, and we prioritize responsible water usage in our manufacturing processes, ensuring minimal water consumption. We strictly reserve water resources for human consumption only, aligning with our commitment to sustainability and environmental stewardship. However, we would implement processes and systems to capture relevant information. By adhering to these principles, we contribute to the preservation of water resources and promote a more sustainable future for all.
(i) Surface water	
(ii) Groundwater	
(iii) Third party water	
(iv) Seawater/desalinated water	
(v) Others	
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	
Total volume of water consumption (in kilolitres)	
Water intensity per rupee of turnover (Water consumed/turnover)	
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.

4. Provide the following details related to water discharged: Not Applicable

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY24	FY23
NOx	Our company operates in the service sector and does not produce any products that release emissions into the air.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others - please specify			

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.

Not Applicable

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

Parameter	Unit	FY24	FY23
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 tonnes of CO_2 equivalent)	tCO_2e	7.81	10.37
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 tonnes of CO_2 equivalent)	tCO_2e	467.93	438.83
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO_2e/₹ 1 Lakh	0.0011	0.03
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.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details:

This year, Zen Technologies has initiated significant efforts to reduce Green House Gas (GHG) emissions. We are actively taking guidance from The Energy and Resources Institute (TERI) to enhance the environmental friendliness of our products and operations.

Firstly, our new line of simulators is designed to be more energy-efficient and environmentally friendly, contributing to our sustainability goals. Simulators inherently do not emit GHGs, but we are committed to further minimizing our carbon footprint.

Additionally, we are implementing energy-efficient practices across our manufacturing processes. This includes optimizing energy use and integrating sustainable practices to reduce overall emissions.

Furthermore, we conduct regular training sessions to raise awareness and educate our employees about sustainable practices and the importance of reducing GHG emissions. These initiatives underscore Zen Technologies' commitment to environmental sustainability and reducing our overall carbon footprint.

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

Parameter	FY24	FY23
Total Waste generated (in metric tonnes)		
E-waste	7.835	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Other disposal operations	7.835	-

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.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

At our establishment, we consider integrating sustainability aspects in our process. We have implemented various initiatives to reduce our environmental footprint and promote responsible waste management.

We prioritize proper waste disposal and adhere to applicable regulations.

a. Plastics, including packaging, are disposed of through garbage vehicles to ensure responsible waste management.

b. E-waste is destroyed internally to prevent any potential environmental impact and ensure data security.

c. We are proud to state that hazardous waste is not generated by our operations, minimizing potential risks to the environment and communities.

d. Unused batteries are returned to the supplier, who replaces them with new batteries, allowing for safe and sustainable handling of battery waste.

Compliance with relevant regulations is of utmost importance to us, and we strictly follow safety measures such as proper storage, labelling, and segregation of chemicals to prevent accidents. Thorough employee training ensures the safe handling and disposal of waste materials.

In collaboration with certified waste handlers, we ensure that hazardous waste undergoes appropriate treatment and disposal. By responsibly managing waste, including hazardous substances, and reducing landfill usage, we actively contribute to building a sustainable future for our planet.

Our commitment to effective waste management aligns with our dedication to environmental preservation and responsible business practices. We will continue to evolve and innovate in our waste reduction efforts to make a positive impact on the environment and the communities we serve.

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:

Not Applicable as Zen Technologies Limited does not operate or have offices in or around ecologically sensitive areas, including national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, and coastal regulation zones.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

During the current financial year, Zen Technologies Limited did not undertake any projects that required environmental impact assessments as per relevant laws. As a result, there were no obligations or requirements for conducting environmental impact assessments for the projects undertaken by the company.

Zen remains committed to adhering to all applicable environmental regulations and ensuring responsible business practices that minimize the company's environmental impact. As we continue to grow, we will maintain our focus on sustainability and environmental stewardship, seeking opportunities to contribute positively to the protection and conservation of the environment.

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:

Zen Technologies is fully committed to adhering to and ensuring compliance with a wide range of environmental laws, regulations, and guidelines applicable in India. This includes strict adherence to key laws such as the Water (Prevention and Control of Pollution) Act, the Air (Prevention and Control of Pollution) Act, and the Environment Protection Act, along with relevant rules framed under these laws. The company demonstrates its dedication to environmental responsibility and sustainability through the maintenance of a robust system that ensures complete compliance with these legal frameworks.

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 trade and industry chambers/associations.

Zen Technologies has formed partnerships with five trade and industry chambers/associations. These affiliations enhance the company's network and engagement in the trade and industry sectors. Through these collaborations, Zen gains access to valuable knowledge, industry insights, and collective efforts to address shared challenges and drive progress. By staying connected to broader industry trends and developments, the company remains informed and actively contributes to its sector's advancement and advocacy efforts.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such 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.

Zen Technologies has a strong track record of fair competition and has not engaged in any anti-competitive conduct. The company has not faced any adverse orders from regulatory authorities in relation to such practices. We maintain a steadfast commitment to upholding fair competition and adhere to all applicable laws and regulations, ensuring a competitive and equitable marketplace for all stakeholders.

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.

No, Zen Technologies Limited currently does not have any Social Impact Assessment (SIA) projects in place. We will keep our stakeholders informed if any such projects are initiated in the future. Our commitment to responsible business practices and social responsibility remains unwavering, and we will continue to explore opportunities to make a positive impact on the communities we serve.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable, Zen Technologies Limited has not undertaken any ongoing Rehabilitation and Resettlement (R&R) projects at this time.

3. Describe the mechanisms to receive and redress grievances of the community.

Zen Technologies has established a structured and responsive system to address community complaints and concerns. A dedicated committee, consisting of representatives from various departments, handles written complaints, conducts thorough investigations, and takes prompt and appropriate actions.

It is noteworthy that the company has not received any complaints related to its corporate social responsibility (CSR) efforts, showcasing its strong commitment to upholding high standards and fulfilling social responsibilities in a responsible manner. This approach fosters a positive and harmonious relationship with the community, reflecting our dedication to being a responsible corporate citizen.

We will continue to prioritize transparent communication and community engagement, ensuring that our CSR initiatives align with the needs and aspirations of the communities we serve. By actively listening to and addressing community feedback, we strive to build enduring partnerships that contribute positively to the welfare and development of society.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY24	FY23
Directly sourced from MSMEs/small producers	61.08%	15.14%
Sourced directly from within the district and neighbouring districts	57.31%	48.24%

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 places a high priority on customer satisfaction and has established robust mechanisms to receive and respond to consumer complaints and feedback. Customers can report their concerns through multiple channels, including dedicated customer service hotlines, email, online portals, and in-person meetings. Each complaint or feedback is acknowledged promptly and assigned to the appropriate team for resolution.

When a complaint is received, it is thoroughly investigated to identify the root cause. A detailed action plan is then developed to address the issue. Throughout the process, we maintain regular communication with the customer to keep them informed about the progress and to ensure their concerns are being adequately addressed.

Additionally, Zen Technologies values customer feedback as a critical component of our continuous improvement efforts. We actively seek feedback through surveys, follow-up calls, and customer meetings. This feedback is used to refine our processes, enhance our products and services, and ensure that we meet and exceed customer expectations.

By fostering open communication and actively engaging with our customers, Zen Technologies demonstrates its commitment to delivering exceptional service and continuously improving our offerings based on customer insights.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

All our products carry information about safe and responsible usage.

3. Number of consumer complaints in respect of the following:

Data privacy	Throughout the reporting period, Zen received no complaints which are relevant to this section
Advertising	
Cyber-security	
Delivery of essential services	
Restrictive Trade Practices	
Unfair Trade Practices	
Other	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

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 a comprehensive framework and policy in place for cyber security and data privacy. Our policy is designed to safeguard our digital assets, information systems, and sensitive data from cyber threats and unauthorized access.

The policy encompasses various critical areas, including network security, data protection, user access controls, incident response, and compliance with relevant legal and regulatory requirements. All personnel, including employees, contractors, and interns, are mandated to adhere to this policy to ensure a secure operational environment.

Key measures in our cyber security policy include:

- Regular security assessments and audits to identify and mitigate vulnerabilities.
- Implementation of advanced encryption techniques for data protection.
- Training programs to educate employees about cyber security best practices and protocols.
- Strict access controls and password management policies to prevent unauthorized access.
- Immediate incident response protocols to address and contain any security breaches.

We continually update our cyber security practices to adapt to emerging threats and ensure the highest level of protection for our digital assets. Our commitment to data privacy and cyber security is unwavering, reflecting our dedication to maintaining the trust and confidence of our stakeholders.

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 encountered any reported incidents relating to issues such as advertising and delivery of essential services, cyber security, and data privacy of customers, re-occurrence of product recalls, or penalties/actions taken by regulatory authorities on the safety of products/services. This indicates the company's diligent efforts in adhering to high standards and best practices to ensure the safety, security, and quality of its products and services. Zen remains committed to upholding its commitment to customer satisfaction and compliance with all applicable regulations to maintain a positive reputation and build trust with its stakeholders.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches	0
b. Percentage of data breaches involving personally identifiable information of customers	0
c. Impact, if any, of the data breaches	0

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 Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cashflows and the Statement of Changes in Equity for the year then ended, and notes to the 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 March 31, 2024, its profit including total other comprehensive income, its cashflows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA's") specified under Section 143(10) of the Act. Our responsibilities under those Standards 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 for the financial year ended March 31, 2024. 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
Receipts from Insurance Claims (Exceptional item) (As described in Note 46 of the standalone financial statements)	
We have identified the exceptional item as a key audit matter due to the significance of the project to the standalone financial statements and the fact that the integral part of Maheshwaram Building was damaged as a result of a fire during the year ended March 31, 2022. As disclosed in note 4C to the standalone financial statements, the carrying value of CWIP (Construction Work-in-Progress) of Maheshwaram Plant was approximately ₹ 154.89 Lakhs at March 31, 2022 which were incurred as a part of renovation to damaged building due to fire accident. The relevant accounting policies in relation to capitalization of additions to CWIP are set out in Note 3H. The management performed an assessment of the damage of building, plant & Machinery on account of fire accident and likelihood of recoverability of damages based on the reports from the Company's project management team and external quantity surveyors and the analysis from the Company's in-house legal counsels, and considered that there will be an exceptional item of amount ₹ 27.96 Lakhs due to derecognition of damaged PPE (Property, Plant, and Equipment) for the year ended March 31, 2022.	**Our audit procedures included the following:** a) Obtaining an understanding of the progress of Maheshwaram Plant by inquiring the Company's project management team, external quantity surveyors and architects; b) Evaluating the appropriateness of the Company's construction costs and borrowing costs capitalization policies by analysing the nature of those costs capitalized against the requirements of Ind AS 16 "Property, Plant and Equipment"; c) Checking, on a sample basis, the number of additions capitalized with reference to the contractors' invoices, and quantity surveyors' and architects' certificates of the construction contract works capitalized in CWIP of Maheshwaram Plant; d) Obtaining an understanding from the Company's project management team and external quantity surveyors in relation to the damage caused by the fire to PPE of Maheshwaram

Key Audit Matters	How our audit addressed the key audit matter
Receipts from Insurance Claims (Exceptional item) (As described in Note 46 of the standalone financial statements)	
In the financial year F.Y.2022-23, the management has filed a total insurance claim of ₹ 712.00 Lakhs out of which it received an ad-hoc amount of ₹ 200.00 Lakhs and the total insurance claim was subsequently revised to ₹ 656 Lakhs, with a balance of ₹ 456.00 Lakhs yet to be received by the Company as on March 31, 2023. During the current financial year 2023-24, the Company received the full and final settlement of ₹ 240.90 Lakhs. Thus, the Company received a total claim of ₹ 440.90 Lakhs from the insurance company.	Plant and the management's assessment of the impact of the fire on the future economic performance and useful lives of the PPE of Maheshwaram Plant; e) Evaluating the analysis performed by the Company's management in respect of the contractual performance obligations of the contractors arising from the fire under the terms of construction contracts; and f) Evaluating the overall appropriateness of the Company's management's assessment of the financial effect of the fire on the carrying values of the respective PPE in Maheshwaram Plant. g) Confirmed the amounts received from the insurance company and verified the adequacy of the disclosure in the financial statements. h) Reviewed the subsequent events and adjustments made by management to ensure the completeness and accuracy of the exceptional item and insurance recoveries. i) Evaluating the total amount spend by the company on renovation of factory building at Maheshwaram and the same has been accounted as capital work in progress (refer note 4C) after capitalisation of identifiable items which are ready for intended use by the management.

Key Audit Matters	How our audit addressed the key audit matter
Accounting for Employee Stock Option Plan-2021 (As described in Note 45 of the Standalone financial statements)	
We identified Material transactions related to the Employee Stock Option Plan (ESOP) during the year: During the Annual General meeting held on August 28, 2021, Zen technologies limited issued the Employee stock option plan-2021 (ESOP), which was subsequently ratified by the shareholders on September 29, 2022 in accordance with SEBI Regulations. As disclosed in the note-45 the management decided to grant the ESOP shares on February 21, 2023, with the exercise price set at ₹ 100/- per option. As of March 31, 2023, the ESOP Trust purchased 4,81,524 shares from the secondary market for an aggregate consideration of ₹ 966.13 Lakhs. The management has adopted the policy of treating the shares purchased by the ESOP Trust as treasury shares under "Other Equity" in the standalone financial statements. As of March 31, 2023, the management has considered an amount of ₹ 44.21 Lakhs as share-based payments expenses (refer Note-30 & Note-45). During the year, the management has granted additional ESOP shares on October 30, 2023, with an exercise price of ₹ 100/- per option. As of March 31, 2024, the management has considered an amount of ₹ 437.69 Lakhs as share-based payment expenses (refer Note-30 & Note-45). Additionally, during the year, the Trust repaid an amount of ₹ 127.6 Lakhs from the proceeds realized on the exercise of options.	**Our audit procedures include the following:** a) We have assessed the appropriateness of the accounting policies regarding the recognition and measurement of share-based payments of employee stock option plan is in compliance with applicable Indian accounting standards. b) We have assessed whether all the statutory regulations and rules governing the company regarding employee stock option plan have been complied and verified the authorization and approval process of the ESOP scheme during the Annual General Meeting and its subsequent ratification by the shareholders. c) We have assessed the fair value calculation of the ESOPs granted, including the assumptions and valuation models used by management. d) Verified the share-based payment expenses recognized in the financial statements for the years ended March 31, 2023, and March 31, 2024, and reconciled these with the underlying records and calculations. e) Evaluated the adequacy and completeness of disclosures related to the ESOP transactions in the financial statements, including Notes 30 and 45 in the financial statements.

Key Audit Matters	How our audit addressed the key audit matter
Revenue from operations (As described in Note 25 of the standalone financial statements)	
During the year, the Company's revenue from operations increased by 166.53%. Revenue is recognized when control of the underlying products has been transferred and the performance obligations have been satisfied. The terms of sales arrangements, including the timing of the transfer of control and delivery specifications, create complexity and require significant judgment in determining the point of time at which sales revenues should be recognized. Due to the judgment involved in determining the point in time when the performance obligations are satisfied, this matter is considered a 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 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 reviewed management's judgments and estimates in determining the point of time for the satisfaction of performance obligations, including any contractual terms that could impact the timing of revenue recognition. f) We have evaluated the adequacy of disclosures related to revenue recognition in the financial statements to ensure they are complete and provide relevant information about the Company's revenue recognition policies and judgments.

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 report(s) 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.

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.

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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements and other financial information of one branch included in the accompanying standalone financial statements of the Company whose financial statements and other financial information reflect total assets of ₹ 2,266.25 Lakhs as at March 31, 2024 and total revenues of ₹ (2,106.39) Lakhs for the year ended on that date, as considered in the financial statements of these branch have been audited by branch auditor whose reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of branch, is based solely on the report of such branch auditor. Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us;

    c) The report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report;

    d) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, Statement of Cashflows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us;

e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** to this report;

h) In our opinion, the managerial remuneration for the year ended March 31, 2024 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 38 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, as disclosed in note-52 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 Company 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 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, as disclosed in note-52 to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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, 2024, 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. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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.

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
ICAI Firm Registration Number: 010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership No: 223022
UDIN: 24223022BKARLD2474

Place: Hyderabad
Date: May 4, 2024

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.

(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 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. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) 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 lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) 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 the coverage and the procedure of such verification by the management is appropriate. There were no material discrepancies noticed on such physical verification.

(b) As disclosed in note 21 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such bank are in agreement with the books of accounts of the Company and no material discrepancies have been observed.

iii. The Company has made investments in, Companies and granted unsecured loans to other parties, during the year, in respect of which:

a. The Company has provided advances in the nature of loans and stood guarantee to its Subsidiaries during the year, details of which are given below:

Particulars	Guarantees (₹ in Lakhs)	Advances (₹ in Lakhs)
A. Aggregate amount granted/provided during the year		
- Subsidiaries	90.23	2.11
- Others	-	-
B. Balance outstanding as at balance sheet date in respect of above cases*		
- Subsidiaries	-	2.91
- Others	-	-

*The Amounts reported are at gross amounts, without considering provisions made.

b. In our opinion, the investments made, guarantees provided and the terms and conditions of the grant of advances in nature of loans and guarantees provided, during the year are not prejudicial to the Company's interest.

c. In respect of advances in the nature of loan, they are interest-free and repayable on demand. During the year the Company has not demanded such advances in the nature of loan.

d. In respect of advances in the nature of loans granted by the company, there is no overdue amount remaining outstanding as at the balance sheet.

e. No loan or advances in the nature of loans granted by the company, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f. The Company has granted advances in the nature of loans which are repayable on demand details of which are given below:

(₹ in Lakhs)

	Promoters	Related Parties	Others
Aggregate of loans/advances in nature of loans			
- Repayable on demand (A)	-	2.91	-
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	**-**	**2.91**	**-**

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. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order are not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained.

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, 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, 2024 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	54.04	2017-18	Commissioner of Income Tax (Appeals), Hyderabad
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

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
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 during the year.

ix. (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company does not have any term loans and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013.

(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) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally).

xi. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are 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. Transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the notes to the standalone financial statements as required by the applicable accounting standards.

xiv. (a) The Company has an internal audit system commensurate with the size and 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. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors.

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), (c) of the order are not applicable.

(b) There is no Core Investment Company as a part of the group.

xvii. The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year.

xix. On the basis of the financial ratios disclosed in Note 47 to the financial statements, 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 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. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act.

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
ICAI Firm Registration Number: 010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership No: 223022
UDIN: 24223022BKARLD2474

Place: Hyderabad
Date: May 4, 2024

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 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, 2024 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

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the 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 (the "Guidance Note") Controls Over Financial Reporting 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 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 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 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 the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls 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 with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to standalone 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 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 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 financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control 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 Number: 010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership No: 223022
UDIN: 24223022BKARLD2474

Place: Hyderabad
Date: May 4, 2024

Standalone Balance Sheet

As at March 31, 2024

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

Sr. No.	Particulars	Note. No.	As at March 31, 2024	As at March 31, 2023
A	**ASSETS**			
I	**Non-current assets**			
	(a) Property, Plant and Equipment	4A	7,645.02	6,633.80
	(b) Capital work-in-progress	4C	1,006.05	191.73
	(c) Right-of-use asset	4D	187.46	87.21
	(d) Intangible assets	4B	21.90	19.46
	(e) Intangible assets under development	4E	60.00	-
	(f) Financial assets			
	(i) Investments	5	2,630.60	2,434.16
	(ii) Loans	6A	-	-
	(iii) Other financial assets	13	2,608.95	4,746.47
	(g) Deferred Tax Assets(Net)	7	-	1,342.70
	(h) Other non-current assets	8	113.59	67.39
	Total Non-Current Assets		**14,273.56**	**15,522.93**
II	**Current assets**			
	(a) Inventories	9	13,342.12	4,111.51
	(b) Financial assets			
	(i) Trade receivables	10	16,914.87	6,615.70
	(ii) Cash and Cash Equivalents	11	2,606.47	9,133.16
	(iii) Bank balances other than (ii) above	12	11,613.15	5,588.77
	(iv) Loans	6B	2.91	0.80
	(v) Other financial assets	13	999.08	1,043.08
	(c) Current Tax Assets (Net)	14	170.49	88.66
	(d) Other Current Assets	15	11,916.61	2,540.27
	Total Current Assets		**57,565.71**	**29,121.95**
	Total Assets (I + II)		**71,839.27**	**44,644.89**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
	(a) Equity Share Capital	16	840.44	795.10
	(b) Other Equity	17	44,472.21	31,124.12
	Total Equity		**45,312.65**	**31,919.22**
II	**Liabilities**			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	-	-
	(ii) (a) Lease liabilities	19A	89.78	10.12
	(b) Deferred Govt. Grant		15.00	-
	(b) Provisions	20	305.17	228.92
	(c) Deferred Tax Liabilities (Net)	7	633.74	-
	Total Non-Current Liabilities		**1,043.69**	**239.04**
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	21	-	584.42
	(ii) Trade Payables	22		
	(A) Total oustanding dues of micro enterprises and small enterprises		1,846.66	74.03
	(B) Total oustanding dues to creditors other than micro and small enterprises		768.82	291.03
	(iii) Other Financial liabilities	19B	1,682.88	934.50
	(iv) Lease Liabilities	19C	23.41	-
	(b) Other Current Liabilities	23	20,464.86	10,602.64
	(c) Current Tax Liabilities (Net)	24	696.30	-
	Total Current Liabilities		**25,482.93**	**12,486.63**
	Total Equity and Liabilities (I + II)		**71,839.27**	**44,644.89**

Summary of Material Accounting Policy Information 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: May 4, 2024

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

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M. Ravi Kumar
Whole-Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

M. Raghavendra Prasad
Company Secretary
M.No.: A41798

Place: Hyderabad
Date: May 4, 2024

Standalone Statement of Profit and Loss

For the Year ended March 31, 2024

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

Sr. No.	Particulars	Note. No.	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Income**			
	Revenue from operations	25	43,027.51	16,143.58
	Other Income	26	1,393.02	705.32
	Total Income		**44,420.54**	**16,848.90**
2	**Expenses**			
	Cost of Materials and Components consumed	27	18,096.67	6,363.03
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(4,371.23)	(2,279.20)
	Manufacturing expenses	29	1,066.69	760.34
	Employee benefits expense	30	4,323.66	2,291.32
	Finance Costs	31	184.05	202.55
	Depreciation and Amortization Expense	32	732.05	437.62
	Other expenses	33	6,188.58	3,880.51
	Total Expenses		**26,220.47**	**11,656.17**
3	**Profit/(Loss) before exceptional items and tax (1 - 2)**		**18,200.07**	**5,192.74**
4	Exceptional Items	46	240.90	200.00
5	**Profit/(Loss) before tax (3-4)**		**18,440.97**	**5,392.73**
6	**Tax expense**			
	(i) Current tax		3,523.53	952.00
	(ii) Deferred tax		1,993.99	676.96
	Total Tax expense		**5,517.52**	**1,628.96**
7	**Profit for the year (5-6)**		**12,923.45**	**3,763.78**
8	**Other Comprehensive Income**			
	Items that will not be reclassified subsequently to statement of profit or (loss)	34	(44.01)	(18.70)
	Income tax relating to items that will not be reclassified to profit/loss		12.82	5.45
	Items that will be reclassified subsequently to statement of profit or (loss)		(34.96)	-
	Income tax relating to items that will be reclassified to profit/loss		10.18	-
	Total Other Comprehensive Income, net of tax		**(55.97)**	**(13.25)**
9	**Total Comprehensive Income for the year (7+8)**		**12,867.48**	**3,750.53**
10	**Earning per Share**	**36**		
	(Face Value of ₹ 1/- Each)			
	Basic earnings per share (In ₹)		15.61	4.75
	Diluted earnings per share (In ₹)		15.51	4.58

Summary of Material Accounting Policy Information. 3

The accompanying notes form an integral part of the standalone financial statements

As per our report attached of even date

For **Ramasamy Koteswara Rao and Co LLP**
Chartered Accountants
Firm Registration Number: 010396S/S200084

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

Murali Krishna Reddy Telluri
Partner
Membership Number: 223022

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M. Ravi Kumar
Whole-Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

M. Raghavendra Prasad
Company Secretary
M.No.: A41798

Place: Hyderabad
Date: May 4, 2024

Place: Hyderabad
Date: May 4, 2024

Standalone Statement of Cash Flows

For the Year ended March 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash Flows from Operating Activities		
Net profit before tax	**18,440.97**	**5,392.74**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	732.05	437.62
Profit on sale of asset	(0.42)	(0.93)
Provision for Advance Written off	138.35	-
Provision for impairment of investments	224.22	
Expected Credit loss allowance	352.34	38.83
Interest Income	(1,062.03)	(635.31)
Finance Cost	120.49	154.97
Interest on lease liability	4.97	
Gratuity expense	57.07	
Share based Payment Expenses	437.69	44.21
Foreign Exchange (Gain)/Loss	(53.21)	(20.25)
Operating profit before working capital changes	**19,392.49**	**5,411.87**
Changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(10,563.15)	(4,661.17)
(Increase)/Decrease in Other financial assets	2,362.52	6,359.52
(Increase)/Decrease in Inventories	(9,230.61)	(2,694.19)
(Increase)/Decrease in Other Current Assets	(9,480.09)	(534.16)
(Increase)/Decrease in Other Non-Current Assets	(46.20)	167.33
Increase/(Decrease) in Trade Payables	2,250.41	33.00
Increase/(Decrease) in Other financial liabilities	748.38	601.76
Increase/(Decrease) in Other Current liabilities	9,877.22	6,068.01
Increase/(Decrease) in Provisions	32.24	46.54
Cash generated from/(used in) operating activities	**5,343.21**	**10,798.50**
Income tax paid	(3,208.13)	(870.12)
Net Cash from/(used in) operating activities (A)	**2,135.08**	**9,928.38**
B. Cash flows from Investing Activities		
Purchase of property, plant and equipment and CWIP	(2,600.05)	(1,207.61)
Sale of Fixed Assets	0.47	1.10
Advance for acquisition on investments	-	(252.84)
Purchase of Investments	(420.66)	-
Interest received	881.03	640.20
Capital Advance paid	(34.59)	-
(Increase)/Decrease in Other Bank Balances	(6,024.38)	550.62
Net Cash Used In Investing Activities (B)	**(8,198.20)**	**(268.53)**
C. Cash flows from Financing Activities		
Proceeds from/(Repayment of) borrowings (net)	(584.42)	(639.76)
Purchase of Treasury shares by Zen technologies welfare trust	(477.09)	(966.13)
Dividend paid	(166.81)	(79.23)
Payment of lease Liability	(17.91)	-
Finance costs paid	(124.67)	(154.97)
Amount received towards share warrants	750.24	-
Net Cash From Financing Activities (C)	**(620.66)**	**(1,840.09)**
Net Increase in cash and cash equivalents (A+B+C)	**(6,683.77)**	**7,819.77**
Cash and Cash equivalents at the beginning of the year	9,290.24	1,470.48
Cash and Cash equivalents at the end of the year	**2,606.47**	**9,290.24**
Components of Cash and Cash equivalents		
Cash on hand	1.87	6.18
Balance with banks:		
In current accounts	1,104.60	7,480.56
In fixed deposits with original maturity less than 3 months	1,500.00	1,646.42

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash and Cash Equivalents as per Balance sheet	**2,606.47**	**9,133.16**
Less: OD/CC accounts forming part of Cash & Cash Equivalents	-	(157.08)
Cash and Cash Equivalents for the Cash flow statement	**2,606.47**	**9,290.24**

Summary of Material Accounting Policy Information. - 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: May 4, 2024

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

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M. Ravi Kumar
Whole-Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

M. Raghavendra Prasad
Company Secretary
M.No.: A41798

Place: Hyderabad
Date: May 4, 2024

Standalone Statement of Changes in Equity

For the Year ended March 31, 2024

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

(A) SHARE CAPITAL

	Number of shares	Amount
As at April 1, 2022	**7,95,10,000**	**795.10**
Issued during the year	-	-
Redeemed/transferred during the year	-	-
As at March 31, 2023	**7,95,10,000**	**795.10**
Issued during the year	45,34,260	45.34
Redeemed/transferred during the year	-	-
As at March 31, 2024	**8,40,44,260**	**840.44**

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

Particulars	Reserves and Surplus							Equity Component of Compound Financial Instruments	Other Comprehensive Income		Total Equity
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Share Warrants	Share based payment reserve	Treasury shares	Compulsory Convertible Debentures (CCD)	Re Measurements of Defined Benefit Plans	Foreign Currency Translation Reserve	
Balances as at April 1, 2022	**2,654.31**	**117.24**	**3,525.01**	**14,293.41**	**250.08**	**-**	**-**	**7,479.32**	**55.38**	**-**	**28,374.75**
Profit for the Year	-	-	-	3,763.79	-	-	-	-	-	-	3,763.79
Amount received on account of allotment of share warrants	-	-	-	-	-	-	-	-	(13.25)	-	(13.25)
Dividend paid	-	-	-	(79.23)	-	-	-	-	-	-	(79.23)
Share based payment charge on account of options granted during the year	-	-	-	-	-	44.21		-	-	-	44.21
Purchase of treasury shares	-	-	-	-	-	-	(966.13)	-	-	-	(966.13)
Equity component of Compulsorily Convertible Debentures (CCD) issued	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**2,654.31**	**117.24**	**3,525.01**	**17,977.97**	**250.08**	**44.21**	**(966.13)**	**7,479.32**	**42.13**	**-**	**31,124.14**
Balances as at April 1, 2023	2,654.31	117.24	3,525.01	17,977.97	250.08	44.21	(966.13)	7,479.32	42.13	-	31,124.14
Profit for the Year	-	-	-	12,923.45	-	-	-	-	-	-	12,923.45
Amount received on account of allotment of share warrants	-	-	-	-	750.24	-	-	-	-	-	750.24
Issue of equity shares	8,434.29	-	-	-	-	(195.96)	177.87	(7,479.32)	-	-	936.89
Allotment of equity Shares pursuant to conversion of share warrants	-	-	-	-	(1,000.32)	-	-	-	-	-	(1,000.32)
Other Comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(31.19)	(24.78)	(55.97)
Dividend paid	-	-	-	(166.81)	-	-	-	-	-	-	(166.81)
Share based payment charge on account of options granted during the year	-	-	-	-	-	437.69	-	-	-		437.69
Purchase of treasury shares	-	-	-	-	-	-	(477.09)	-	-		(477.09)
Equity component of Compulsorily Convertible Debentures (CCD) issued	-	-	-	-	-	-	-		-	-	-
Balance as at March 31, 2024	**11,088.60**	**117.24**	**3,525.01**	**30,734.61**	**-**	**285.94**	**(1,265.35)**	**-**	**10.94**	**(24.78)**	**44,472.22**

Summary of Material Accounting Policy Information. - 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: May 4, 2024

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

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M. Ravi Kumar
Whole-Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

M. Raghavendra Prasad
Company Secretary
M.No.: A41798

Place: Hyderabad
Date: May 4, 2024

Notes to the Standalone Financial Statements

For the Year ended March 31, 2024

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

1. CORPORATE INFORMATION

Zen Technologies Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its corporate office is at B-42, Industrial Estate, Sanathnagar, Hyderabad-500018, Telangana, India. The Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India.

The company is principally engaged in design, development and manufacture of Training Simulators,Anti Drone Systems and operations for Para-military Forces, Armed Forces, Security Forces, Police and Government Departments. The company caters to both domestic and international market. The Company's manufacturing unit is located at Hardware Park, Maheswaram Mandal, Telangana, India.

The standalone financial statements for the year ended March 31, 2024, were approved by the Board of Directors and authorised for issue on May 4, 2024.

2. BASIS OF PREPARATION AND MEASUREMENT

(i) Statement of compliance & Basis for preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as 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 and other relevant provisions of the Act.

The standalone financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone 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.

(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

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 3(L) - lease classification;
- Note 3(L) - leases: whether an arrangement contains a lease and lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 3(E) – measurement of defined benefit obligations: key actuarial assumptions;
- Note 3(N) – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3(J) – impairment of financial assets;
- Note 7 & 3(M) - Recoverability/recognition of deferred tax assets;
- Note 3(F) - determining an asset's expected useful life and the expected residual value at the end of its life.

(v) Measurement of fair values

Accounting 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 42 - Financial instruments

(vi) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as a 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 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;
- 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 recognized, when the Company satisfies a performance obligation by transferring a promised good or service to its customers at an amount that reflects the consideration to which the Company expects to be entitled upon satisfying those performance obligations.

Revenue from sale of products

Revenue from sale of products is recognised at the point in time when control of the product is transferred to the customer, generally on delivery of the product. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of product, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the products to customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associates uncertainty with the variable consideration is subsequently resolved.

Revenue from rendering of services

Company provides Annual Maintenance Contract (AMC) services that are either sold separately or bundled together with the sale of product to a customer. The AMC services do not significantly customise or modify the product.

Contracts for bundled sale of products and AMC services are comprised of two performance obligations because the equipment and AMC services are both sold on a stand alone basis and are distinct within the context of the contract. Accordingly, the Company allocates the transaction price based on the relative standalone selling prices of the products and AMC services.

The Company recognises the revenue from rendering AMC services over time because the customer simultaneously receives and consumes the benefits provided to them. The Company uses an output method in measuring progress of the AMC services because there is a direct relationship between the transfer of service to the customer and the time elapsed in the contract term.

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 J below.

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 Company performs the contract i.e., (transfers control of the related goods or services to the customer).

Trade Receivables:

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note E below.

B. Recognition of other income

i) Interest income

Interest Income mainly comprises of interest on Margin money deposit relating to bank guarantee, Deposits against Bank Overdraft with banks and other fixed deposits.. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee and Over draft are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

ii) Export incentives

The Company receives export incentives 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.

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 OCI.

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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in Section (A) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

ii) Classification and subsequent measurement

All financial assets except Trade receivables are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement: For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets at amortised cost (debt instruments)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, deposits and other non-current and current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

There are no Company's debt instruments which are stated at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has elected not to classify its investments in equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Since the Company does not hold any derivative and listed equity investments, there are no financial assets classified at fair value through profit or loss.

Derecognition

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement: For purposes of subsequent measurement, financial liabilities are classified in two categories

- Financial liabilities at fair value through profit or loss;
- Financial liabilities at amortised cost (loans and borrowings).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and 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 contract.

On issuance of the Compulsorily Convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the Compulsorily Convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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 measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs (Present Value) of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

ii) Depreciation

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on to the Companies Act, 2013 ("Schedule II"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

The Company, based on technical assessment and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has estimated the following useful lives to provide depreciation on its property, plant and equipment:

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	15 years
Furniture and Fixtures	10 years	10 years
Motor Vehicles	10 years	10 years
Testing Equipment's	10 years	10 years
Office Equipment's	5 years	5 years
Demo Equipment	5 years	5 years
Computers		
- Servers and Networks	6 years	6 years
- End user devises such as laptops, etc.	3 years	3 years

In case of Building on leasehold land, the depreciation is charged based on useful life of the building or the lease period whichever is lower. In the case of leased hold building improvements, the depreciation is charged based on useful life of the improvements which is 10 years or lease period including expected renewal period which ever is lower.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets.

The Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

An item of property, plant and equipment are derecognised from financial statements, either on disposal or when retired from active use. Any gain/loss arising from derecognition of an item of Property, Plant and Equipment are recognised in the statement of profit and loss in the year of occurrence.

G. Intangible assets

i) Recognition and measurement

Intangible assets that are acquired, are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the "Straight line method" (SLM) method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

- Software - 3 years

Amortisation method and useful lives are reviewed at the end of each financial year and adjusted if appropriate.

H. Capital work-in-progress

Capital work-in-progress is recognized at cost, net of accumulated impairment loss, if any. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

Depreciation is not recorded on capital work -in-progress until construction and installation are complete and the asset is ready for its intended use by the management.

I. 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.

J. Impairment of assets

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12 months expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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.

ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

K. Employee benefits

i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

iv) Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

v) Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

vi) Employee share based payments

Equity Settled Transactions

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Intrinsic value method.

The fair value, determined at the grant date of the equity-settled share-based payments, is charged to Standalone Statement of Profit and Loss on consolidation of ESOP Trust in the Standalone Financial statements of the Company on a systematic basis over the vesting period of the option s in accordance with Ind AS 102 Share-based Payment, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in other equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to share based payment expenses. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Share Based Payment Reserve Account is transferred within other equity.

L. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessor

Leases for which the Company is a lessor are classified as a finance or operating lease. When ever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases are recognised on straight line basis over the term of relevant lease.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Right of use asset

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease Liability

The Company measures the lease liability at present value of the future lease payments at the commencement date of the lease. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

M. Income taxes

Taxes comprises Current Tax, Deferred tax and MAT credit. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and

- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised for deductible temporary differences, the carry forwards of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

iii) Minimum Alternate Tax (MAT) Credit

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

N. Provision, contingent liabilities and contingent assets

Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are not recognised in financial statement. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Contingent Liabilities/Assets to the extent the Management is aware, are disclosed by way of notes to the financial statements.

O. 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.

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 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.

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. Investments in subsidiaries

Investments representing equity interest in subsidiaries carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

T. Research and Development Costs (Product Development)

Research expenditure is recognized as an expense when it is incurred. Development expenditure on an individual project are recognised as an intangible asset when the 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.

U. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

V. Treasury shares

The Company has formed an Employee Welfare Trust (EWT) for providing share-based payment to its employees. The Company uses EWT as a vehicle for distributing shares to employees under the Employee Stock Option Plan-2021. The EWT purchase shares of the Company from the secondary market, for giving shares to employees. The Company treats EWT as its extension and shares held by EWT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised on consolidation of the ESOP Trust in the Standalone statement of profit and loss of the Company on the purchase, sale, issue, or cancellation of the Company's own equity instruments. Share options whenever exercised, would be settled from such treasury shares.

W. 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.

X. 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.

Y. 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 March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to Financials Statements

For the Year ended March 31, 2024

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

NOTE 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 April 1, 2022	**648.95**	**5,552.40**	**443.66**	**262.87**	**607.97**	**84.92**	**-**	**441.40**	**613.71**	**361.49**	**9,017.37**
Additions during the year	-	11.91	112.31	3.94	79.24	334.14	-	660.07	47.15	-	1,248.75
Deletions/adjustments	-	-	-	-	(0.30)	-	-	-	-	(13.00)	(13.30)
As at March 31, 2023	**648.95**	**5,564.31**	**555.97**	**266.81**	**686.91**	**419.06**	**-**	**1,101.47**	**660.86**	**348.49**	**10,252.82**
Additions during the year	-	335.30	148.51	161.84	35.15	590.41	10.74	404.55	26.18	23.24	1,735.93
Deletions/adjustments	-	-	-	-	-	-	-	(38.55)	-	(15.71)	(54.26)
As at March 31, 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**
Accumulated Depreciation											
As at April 1, 2022	**-**	**1,180.00**	**401.31**	**188.42**	**514.93**	**67.98**	**-**	**296.13**	**310.08**	**247.01**	**3,205.85**
For the Year	-	128.67	36.55	12.90	54.38	37.59	-	73.69	54.00	28.40	426.18
Deletions/adjustments	-	-	-	-	(0.01)	-	-	-	-	(13.00)	(13.01)
As at March 31, 2023	**-**	**1,308.67**	**437.86**	**201.32**	**569.30**	**105.57**	**-**	**369.82**	**364.08**	**262.41**	**3,619.02**
For the Year	-	135.32	73.80	17.77	37.83	110.57	0.07	235.69	54.88	28.01	693.94
Deletions/adjustments	-	-	-	-	-	-	-	(7.82)	-	(15.66)	(23.48)
As at March 31, 2024	**-**	**1,443.99**	**511.66**	**219.09**	**607.13**	**216.14**	**0.07**	**597.69**	**418.96**	**274.76**	**4,289.48**
Carrying value											
As at March 31, 2023	**648.95**	**4,255.64**	**118.11**	**65.49**	**117.61**	**313.49**	**-**	**731.64**	**296.78**	**86.09**	**6,633.80**
As at March 31, 2024	**648.95**	**4,455.62**	**192.82**	**209.56**	**114.93**	**793.33**	**10.67**	**869.78**	**268.08**	**81.26**	**7,645.02**

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

NOTE 4B. INTANGIBLE ASSETS

Particulars	Computer Software	Total
Cost		
As at April 1, 2022	**1,046.64**	**1,046.64**
Additions during the year	19.53	19.53
Deletions/adjustments	-	-
As at March 31, 2023	**1,066.16**	**1,066.16**
Additions during the year	12.76	12.76
Deletions/adjustments		-
As at March 31, 2024	**1,078.91**	**1,078.91**
Accumulated Ammortization		
As at April 1, 2022	**1,038.27**	**1,038.27**
For the Year	8.43	8.43
Deletions/adjustments	-	-
As at March 31, 2023	**1,046.70**	**1,046.70**
For the Year	10.31	10.31
Deletions/adjustments	-	-
As at March 31, 2024	**1,057.01**	**1,057.01**
Carrying Value		
As at March 31, 2023	**19.46**	**19.46**
As at March 31, 2024	**21.90**	**21.90**

NOTE 4C. CAPITAL WORK-IN-PROGRESS

Particulars	March 31, 2024	March 31, 2023
Opening Balance	191.73	252.28
Add: Additions during the year	1,244.52	257.96
Less: Capitalisations during the year	(430.20)	(318.51)
Closing Balance	**1,006.05**	**191.73**

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 March 31, 2024					
- Projects in progress	1,006.05	-	-	-	**1,006.05**
- Projects temporarily suspended	-	-	-	-	**-**
As at March 31, 2023					
- Projects in progress	100.96	90.77	-	-	**191.73**
- Projects temporarily suspended	-	-	-	-	**-**

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

NOTE 4D. RIGHT-OF-USE ASSETS

The Company's lease asset consists of leases of land and buildings and vehicle having the various lease terms. Accordingly, the Company has adopted Ind AS 116 "Leases" to all lease contracts:

Particulars	Right-of-use assets	Total
Cost		
As at April 1, 2022	**99.24**	**99.24**
Additions during the year	-	-
Deletions/adjustments	-	-
As at March 31, 2023	**99.24**	**99.24**
Additions during the year	128.05	128.05
Deletions/adjustments	-	-
As at March 31, 2024	**227.30**	**227.30**
Accumulated Depreciation		
As at April 1, 2022	**9.02**	**9.02**
For the Year	3.01	3.01
Deletions/adjustments	-	-
As at March 31, 2023	**12.03**	**12.03**
For the Year	27.81	27.81
Deletions/adjustments	-	-
As at March 31, 2024	**39.84**	**39.84**
Carrying Value		
As at March 31, 2023	**87.21**	**87.21**
As at March 31, 2024	**187.46**	**187.46**

The following amounts related to Right-of-use assets were recognised in the statement of profit or loss:

Particulars	March 31, 2024	March 31, 2023
Interest expense	4.97	0.77
Amortisation expense	27.81	3.01
Total	**32.77**	**3.78**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTE 4E. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particualrs	Project in Progress	Total
As at April 1, 2022		
Additions during the year	-	-
Capitalisation/adjustments	-	-
As at March 31, 2023	**-**	**-**
Additions during the year	60.00	60.00
Capitalisation/adjustments	-	-
As at March 31, 2024	**60.00**	**60.00**

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

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 March 31, 2024					
- Projects in progress	60.00	-	-	-	60.00
- Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023					
- Projects in progress	-	-	-	-	-
- Projects temporarily suspended	-	-	-	-	-

5. INVESTMENTS (NON-CURRENT)

Particulars	March 31, 2024	March 31, 2023
Unquoted investments		
Investment in Subsidiaries (At cost unless otherwise stated)		
19,80,001 (March 31, 2023 - 19,80,001) Equity shares of $1/- each, fully paid up of Zen Technologies USA, INC	1,434.67	1,434.67
2,88,794 (March 31, 2023 - 2,88,794) Equity shares of ₹ 10/- each, fully paid up of Unistring Tech Solutions Private Limited	700.07	700.07
75,20,000 (March 31, 2023 - 75,20,000) Equity shares of ₹ 1/- each fully paid up of Zen Medical Technologies Private Limited	75.20	75.20
10,409 Equity shares of ₹ 10/- each fully paid up of Aituring Technologies Private Limited	387.00	-
99 Equity Shares of AED 1500/- each fully paid up of Zen Defence Technologies L.L.C, UAE	33.66	-
Investment in Others		
17,500 (March 31, 2023 - 17,500) Equity shares and 2,139 (March 31, 2023 - 2,139) Class Seed Preferred shares of Paladin AI INC.,*	224.22	224.22
Less: Provision for Impairment of Investments	(224.22)	-
	2,630.60	**2,434.16**

*Investment in Paladin AI Inc is measured at cost as it approximates the fair value

6. LOANS

Particulars	March 31, 2024	March 31, 2023
6A. Non-Current	-	-
	-	**-**
6B. Current		
Advances to Related Parties		
Unsecured		
Subsidiary		
Zen Defence Technologies L.L.C, UAE	2.91	0.80
	2.91	**0.80**

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

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

Particulars	March 31, 2024	March 31, 2023
Deferred Tax Asset		
Deferred Tax Asset on MAT credit entitlement	-	(1,886.92)
Deferred Tax on Gratuity and Bonus	(68.68)	(96.52)
Deferred Tax on Leases	(0.70)	(0.20)
Deferred tax on Share based Payments	-	-
Deferred Tax Liability		
Accelerated depreciation for tax purposes	726.12	646.38
On Other comprehensive income items	(23.00)	(5.45)
	633.74	**(1342.70)**

Note: Refer Note 35 for further details

8. OTHER NON-CURRENT ASSETS

Particulars	March 31, 2024	March 31, 2023
Prepaid expenses#	61.75	15.55
Others##	51.84	51.84
	113.59	**67.39**

represents amount paid in advance for the items that had not yet occurred as of the end of the financial year, including Bank Guarantee Commission, Employees Health Insurance and General Insurance expenses.

represents the cost of articles owned by the Company for the purpose of business promotion.

9. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	March 31, 2024	March 31, 2023
Raw material	5,875.07	1,015.69
Work-in-progress	7,467.05	3,095.82
	13,342.12	**4,111.51**

10. TRADE RECEIVABLES

Particulars	March 31, 2024	March 31, 2023
Trade Receivables	17,267.21	6,661.72
Less: Allowance for Expected Credit Loss	(352.34)	(46.02)
	16,914.87	**6,615.70**

Note:

- Receivables do not include any amount due and recoverable from directors or other officers of the Company, or Companies under the same management.
- Trade Receivables are Non Interest Bearing.

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

10A. Ageing Schedule of Trade receivables:

As at March 31, 2024

Particulars	Outstanding for the following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	12,444.77	1,851.42	2,218.23	275.86	399.20	77.73	17,267.21
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	
(v) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	12,444.77	**1,851.42**	**2,218.23**	**275.86**	**399.20**	**77.73**	**17,267.21**
Less: Allowance for expected credit loss	-	-	-	-	-	-	(352.34)
Total	**12,444.77**	**1,851.42**	**2,218.23**	**275.86**	**399.20**	**77.73**	**16,914.87**

As at March 31, 2023

Particulars	Outstanding for the following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	5,712.59	293.89	121.19	399.38	-	-	6,527.05
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	3.02	131.65	134.67
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	
(v) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	5,712.59	**293.89**	**121.19**	**399.38**	**3.02**	**131.65**	**6,661.72**
Less: Allowance for expected credit loss	-	-	-	-	-	-	(46.02)
Total	**5,712.59**	**293.89**	**121.19**	**399.38**	**3.02**	**131.65**	**6,615.70**

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

11. CASH AND CASH EQUIVALENTS

Particulars	March 31, 2024	March 31, 2023
Cash on hand	1.87	6.18
Balances with banks		
- In current accounts	1,104.60	7,480.56
- In Fixed Deposits with original maturity Less than 3 months	1,500.00	1,646.42
	2,606.47	**9,133.16**

11A. Reconciliation of liabilities from financing activities

Particulars		As at March 31, 2023	Cash flows		Non-Cash Transactions		As at March 31, 2024
			Proceeds	Repayment	Finance Cost*	Additions during the year	
(a)	Long-term borrowings (including current maturities)	427.34	-	(427.34)	-	-	-
(b)	Lease liabilities	10.12		(17.91)	4.79	116.20	113.20
(c)	Short-term borrowings	157.08	-	(157.08)	-	-	-
		594.54	**-**	**(602.33)**	**4.79**	**116.20**	**113.20**

*Excluding BG commission charges.

Particulars		As at March 31, 2022	Cash flows		Non-Cash Transactions		As at March 31, 2023
			Proceeds	Repayment	Finance Cost*	Equity Portion of CCD	
(a)	Long-term borrowings (including current maturities)	1,224.18	-	-	-	(796.84)	427.34
(b)	Lease liabilities	9.35	-	-	0.77	-	10.12
(c)	Short-term borrowings	-	157.08	-	-	-	157.08
		1,233.53	**157.08**	**-**	**0.77**	**(796.84)**	**594.54**

*Excluding BG commission charges.

12. OTHER BANK BALANCES

Particulars	March 31, 2024	March 31, 2023
Balances with banks for unclaimed dividend	6.45	7.10
- Deposits against BG'	4,820.83	5,514.58
- Bank Deposits maturity more than 3 months <12 Months	6,722.49	-
- Other Fixed Deposits	63.39	67.09
	11,613.15	**5,588.77**

Note: All Fixed deposits were kept with Scheduled banks only.

13. OTHER FINANCIAL ASSETS

Particulars	March 31, 2024	March 31, 2023
Non-Current		
Bank Deposits with more than 12 months maturity	2,280.25	4,450.43
Security deposits	61.64	28.99
Deposits with government, public bodies and others	14.21	14.21
Advance for Acquisition for investments	252.84	252.84
	2,608.95	**4,746.47**
Current		
Unsecured, Considered good		
Accrued Income but not due	818.09	895.08
Interest accrued but not due on deposits	180.99	148.00
	999.08	**1,043.08**

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

14. CURRENT TAX ASSETS (NET)

Particulars	March 31, 2024	March 31, 2023
Taxes paid	170.49	88.66
	170.49	**88.66**

15. OTHER CURRENT ASSETS

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Prepaid Expenses	232.63	177.53
Balance with Statutory Authorities	4,540.85	891.51
Advance to material suppliers(Creditors)	7,091.43	1,444.24
Capital Advances	34.59	-
Duty Credit Scripts under MEIS scheme	0.41	-
Advances to Employees	16.70	27.00
	11,916.61	**2,540.27**

16. EQUITY SHARE CAPITAL

Particulars	Equity Shares	
	No. of shares	Amount in Lakhs
(i) Authorised share capital		
As at April 1, 2022	**20,00,00,000**	**2,000.00**
Increase/(Decrease) during the year	-	-
As at March 31, 2023	**20,00,00,000**	**2,000.00**
Increase/(Decrease) during the year	-	-
As at March 31, 2024	**20,00,00,000**	**2,000.00**
(ii) Issued share capital		
Equity share of ₹ 1 each issued, subscribed and fully paid up		
As at April 1, 2022	**7,95,10,000**	**795.10**
Increase/(Decrease) during the year	-	-
As at March 31, 2023	**7,95,10,000**	**795.10**
Increase/(Decrease) during the year	45,34,260	45.34
As at March 31, 2024	**8,40,44,260**	**840.44**

(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.

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

Particulars	March 31, 2024		March 31, 2023	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of ₹ 1/- each fully paid up				
Ashok Atluri	2,15,46,103	25.64%	2,13,11,220	26.80%
Kishore Dutt Atluri	1,57,40,970	18.73%	1,57,56,220	19.82%

(v) For Compulsorily Convertible Debentures (CCDs) refer Note 49.

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

(vi) Shares held by promoters

As at March 31, 2024

Promoter Name	Class of Equity share	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
Ashok Atluri	Equity share of ₹ 1 each	2,13,11,220	2,34,883	2,15,46,103	25.64%	1.10%
Kishore Dutt Atluri	Equity share of ₹ 1 each	1,57,56,220	(15,250)	1,57,40,970	18.73%	(0.10%)
Tara Dutt Atluri	Equity share of ₹ 1 each	33,89,756	(15,00,000)	18,89,756	2.25%	(44.25%)
Rama Devi Atluri	Equity share of ₹ 1 each	26,70,000	-	26,70,000	3.18%	0.00%
Satish Atluri	Equity share of ₹ 1 each	11,84,000	-	11,84,000	1.41%	0.00%
Anisha Atluri	Equity share of ₹ 1 each	10,00,000	-	10,00,000	1.19%	0.00%
Arjun Dutt Atluri	Equity share of ₹ 1 each	10,00,000	-	10,00,000	1.19%	0.00%
Ravi Kumar Midathala	Equity share of ₹ 1 each	7,50,000	(2,50,000)	5,00,000	0.59%	(33.33%)
Beena Atluri	Equity share of ₹ 1 each	4,34,364	-	4,34,364	0.52%	0.00%
Nagarjunudu Kilari	Equity share of ₹ 1 each	1,50,290	-	1,50,290	0.18%	0.00%
Indira Garapati	Equity share of ₹ 1 each	1,20,000	-	1,20,000	0.14%	0.00%
Nandita Sethi	Equity share of ₹ 1 each	50,000	-	50,000	0.06%	0.00%

As at March 31, 2023

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 ₹ 1 each	2,13,11,220	-	2,13,11,220	26.80%	0.00%
Kishore Dutt Atluri	Equity share of ₹ 1 each	1,57,56,220	-	1,57,56,220	19.82%	0.00%
Tara Dutt Atluri	Equity share of ₹ 1 each	34,19,756	(30,000)	33,89,756	4.26%	(0.88%)
Rama Devi Atluri	Equity share of ₹ 1 each	26,70,000	-	26,70,000	3.36%	0.00%
Satish Atluri	Equity share of ₹ 1 each	11,84,000	-	11,84,000	1.49%	0.00%
Anisha Atluri	Equity share of ₹ 1 each	10,00,000	-	10,00,000	1.26%	0.00%
Arjun Dutt Atluri	Equity share of ₹ 1 each	10,00,000	-	10,00,000	1.26%	0.00%
Ravi Kumar Midathala	Equity share of ₹ 1 each	7,90,000	(40,000)	7,50,000	0.94%	(5.06%)
Beena Atluri	Equity share of ₹ 1 each	4,04,364	30,000	4,34,364	0.55%	7.42%
Nagarjunudu Kilari	Equity share of ₹ 1 each	1,50,290	-	1,50,290	0.19%	0.00%
Indira Garapati	Equity share of ₹ 1 each	1,20,000	-	1,20,000	0.15%	0.00%
Nandita Sethi	Equity share of ₹ 1 each	50,000	-	50,000	0.06%	0.00%

(vii) Shares Reserved for issue under options

For details of shares reserved for issue under the employee stock option ("ESOP") plan of the Company, please refer note 45.

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

17. OTHER EQUITY

Particulars	Note No.	March 31, 2024	March 31, 2023
Securities premium	17.1	11,088.60	2,654.31
Capital redemption reserve	17.2	117.24	117.24
General reserve	17.3	3,525.01	3,525.01
Retained earnings	17.4	30,734.62	17,977.97
Share Warrants	17.5	-	250.08
Other Comprehensive Income	17.6	(13.84)	42.13
Equity Component of Compound Financial Instruments	17.7	-	7,479.32
Share Based Payments Reserve	17.8	285.94	44.21
Treasury Shares	17.9	(1,265.34)	(966.13)
		44,472.21	**31,124.12**

17.1 Securities premium

Particulars	March 31, 2024	March 31, 2023
Opening balance	2,654.31	2,654.31
Add: Additions during the year	8,434.29	-
	11,088.60	**2,654.31**

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	March 31, 2024	March 31, 2023
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	March 31, 2024	March 31, 2023
Opening balance	3,525.01	3,525.01
Add: Additions during the year	-	-
	3,525.01	**3,525.01**

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act,2013.

17.4 Retained earnings

Particulars		March 31, 2024	March 31, 2023
Opening balance		17,977.97	14,293.41
Add: Net profit for the year		12,923.45	3,763.79
	(A)	**30,901.42**	**18,057.20**
Less: Dividend distributed to equity shareholders	(B)	(166.81)	(79.23)
	(A-B)	**30,734.62**	**17,977.97**

Retained earnings are the profits that the Company 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 Share Warrants

Particulars		March 31, 2024	March 31, 2023
Opening balance		250.08	250.08
Add: Amount received on account of allotment of share warrants		750.24	-
	(A)	**1,000.32**	**250.08**
Less: Allotment of equity Shares pursuant to conversion of share warrants	(B)	1,000.32	-
	(A-B)	**-**	**250.08**

During the FY 2021-22, the Company has issued share warrants and 25% of the subscription amount was received at the time of allotment of share warrants. Balance amount (75%) is received during the year and the Company has converted the share warrants to equity shares.

17.6 Other Comprehensive Income

Particulars	March 31, 2024	March 31, 2023
Actuarial Gain or Loss		
Opening balance	42.13	55.38
Add: Additions during the year	(31.19)	(13.25)
Closing Balance	**10.94**	**42.13**
Foreign Currency Translation Reserve		
Opening balance	-	-
Add: Additions during the year	(24.78)	-
Closing Balance	**(24.78)**	**-**
	(13.84)	**42.13**

17.7 Equity Component of Compound Financial Instruments

Particulars		March 31, 2024	March 31, 2023
Opening balance		7,479.32	7,479.32
Add: Equity component of Compulsorily Convertible Debentures (CCD) issued		-	-
	(A)	**7,479.32**	**7,479.32**
Less: Allotment of equity Shares pursuant to conversion of CCD's	(B)	7,479.32	-
		-	**7,479.32**

Refer Note 49 for further details.

17.8 Share Based Payments Reserve

Particulars	March 31, 2024	March 31, 2023
Opening Balance	44.21	-
Add: Employee Share Based Payment Expense	437.69	44.21
	481.90	**44.21**
Less: Exercise of Share Options	195.96	-
	285.94	**44.21**

Share-based payment reserve: The Share based payment reserve is used to record the fair value of equity-settled share based payment transactions with employees.

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

17.9 Treasury Shares

Particulars	March 31, 2024	March 31, 2023
Opening Balance	(966.13)	-
Add: Purchase of treasury shares	(477.09)	(966.13)
	(1,443.22)	**(966.13)**
Less: Issue of Treasury Shares	(177.87)	-
	(1,265.34)	**(966.13)**

Treasury Shares: The reserve for shares of the Company held by the Zen Technologies Limited Employees Welfare Trust (ESOP Trust).

The Company has issued employees stock option scheme for its employees. The shares of the Company have been purchased and held by ESOP Trust to issue and allot to employees at the time of exercise of ESOP by Employees.

18. BORROWINGS (NON-CURRENT)

Particulars	March 31, 2024	March 31, 2023
Secured (at amortized cost)		
Vehicle loans from banks		
(a) Yes Bank	-	-
Unsecured (at amortized cost)		
(b) Compulsory Convertible Debentures (CCDs)	-	-
	-	**-**

19. OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2024	March 31, 2023
19A Non-Current		
At amortised cost		
Lease Liability	89.78	10.12
	89.78	**10.12**
Deferred Govt. Grant (IDEX SPARK Grant)	15.00	-
	15.00	**-**
19B Current		
Unclaimed dividends	6.45	7.10
Provision for expenses	695.95	520.25
Salaries and benefits	217.15	155.53
Bonus and incentives	136.45	102.53
Other Payables	626.87	149.09
	1,682.88	**934.50**
19C Current		
At amortised cost		
Lease Liability	23.41	-
	23.41	**-**

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

20. PROVISIONS

Particulars	March 31, 2024	March 31, 2023
Non-current		
- Provision for gratuity	305.17	228.92
	305.17	**228.92**

21. BORROWINGS (CURRENT)

Particulars	March 31, 2024	March 31, 2023
Secured		
(a) CC account forming part of Cash and Cash equivalents	-	-
(b) OD account forming part of Cash and Cash equivalents	-	157.08
(c) Current maturities of vehicle loans	-	3.09
Unsecured		
(d) Loan from Directors	-	-
(e) Compulsory Convertible Debentures (CCDs)	-	424.25
	-	**584.42**

Details of borrowings:

(i) Cash Credit (CC) mentioned in (a) amounting to ` Nil (March 31, 2023: ` Nil) and Over draft (OD) mentioned in (b) amounting to ` Nil (March 31, 2023: ` 157.08 Lakhs obtained from Indian Bank ` 26.24 Lakhs and from HDFC Bank- ` 130.84 Lakhs) are secured by way of:

Primary Security: Inventories, Other Current Assets and Trade Receivables

Collateral Security:

HDFC Bank

- Signature Tower Building, 11 Kothaguda Village and 12 floor of Signature Tower building of 25000 Sq Ft, SY No:6 Kondapur, Kothaguda-500084.
- Delhi 1, Apartment NH 24 adjacent to Akshardham No. T-27-06-04, Fifth floor of 1969 Sq Ft, Common Wealth Games, Village - 110092.
- Delhi 2, Apartment NH 24 adjacent to Akshardham No. T-27-01-03, Ground floor of 2654.3 Sq Ft, Common Wealth Games, Village - 110092.
- Delhi 3, Apartment NH 24 adjacent to Akshardham No. T-20-07-04, Sixth floor of 1969.52 Sq Ft, Common Wealth Games, Village - 110092.
- Delhi 4, Apartment NH 24 adjacent to Akshardham No. T-20-01-02, Ground floor of 2654.32 Sq Ft, Common Wealth Games, Village - 110092.

Indian Bank

- Corporate Office/Building Admeasuring 2540 Sq yards Located at B-42, Industrial Estate, Sanath nagar, Hyderabad-500018.

EXIM Bank

- Industrial Plot of Land Admeasuring 2034.10 Sq Meters located at Plot No 99/2, IDA Cherlapally, Cherlapally village, Kapra Mandal, Medchal, Telangana.

ICICI Bank

- Plot No: 35,36,37 Hardware Park, Maheshwaram Mandal, Raviyala Village, Hyderabad - 501510.

AXIS Bank

- First Pari Passu charge on entire Current Assets of the Company, both Present and Future and the First Pari Passu charge on Collateral Property shared along with ICICI.

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

Other Details:

The Avg.Rate of Interest of CC is 9.73% p.a of and Cash credit is the sub-limit of ₹ 3,000 Lakhs of total limits of ₹ 25,600 Lakhs which consists of Bank Guarantee, Letter of Credit, Pre and Post Shipment Credit, PSR and Corporate Card Limits.

(ii) Borrowings mentioned in (c) are secured by the hypothecation of respective vehicles for which loans are availed.

(iii) Borrowings mentioned in (e) is the financial liability component of CCDs issued during the previous year which is carried at interest rate of 8.50% p.a.

22. TRADE PAYABLES

Particulars	March 31, 2024	March 31, 2023
Trade payables		
Dues to Micro and Small Enterprises	1,846.66	74.03
Dues to creditors other than micro and small enterprises	768.82	291.03
	2,615.48	**365.06**

Note: Trade payable are non interest bearing and normally settled in 30 - 45 days

22A. Ageing Schedule of Trade Payables

As at March 31, 2024

Particulars	Outstanding for the following periods from the due date of payment					Total
	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,846.66	-	-	-	1,846.66
(ii) Others	-	744.63	23.29	0.62	0.28	768.82
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	**2,591.29**	**23.29**	**0.62**	**0.28**	**2,615.48**

As at March 31, 2023

Particulars	Outstanding for the following periods from the due date of payment					Total
	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	52.19	2.37	0.05	0.40	19.04	74.03
(ii) Others	169.76	74.80	12.01	1.33	33.13	291.03
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	221.95	**77.17**	**12.05**	**1.72**	**52.17**	**365.06**

23. OTHER CURRENT LIABILITIES

Particulars	March 31, 2024	March 31, 2023
Income billed but not due	325.41	3.48
Taxes payable	2,816.89	739.41
Advance from customers	17,322.56	9,859.75
	20,464.86	**10,602.64**

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

24. CURRENT TAX LIABILITIES (NET)

Particulars	March 31, 2024	March 31, 2023
Provision for Income Tax (net of advance tax)	696.30	-
	696.30	**-**

25. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Revenue from sale of products	39,706.62	12,553.73
(b) Revenue from rendering of services	3,320.89	3,589.85
	43,027.51	**16,143.58**

Contract balances:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Receivables		
Trade Receivables (gross) (refer note 10)	17,267.21	6,661.72
Less: Allowances for Doubtful debts	(352.34)	(46.02)
Net Receivables	**16,914.87**	**6,615.70**
(b) Contract Liabilities		
Advances received from customers (refer note 23)	17,322.56	9,859.75
Income billed but not due (refer note 23)	325.41	3.48
	17,647.97	**9,863.23**
(c) Contract Assets		
Accrued income but not due (Refer note 13)	818.09	895.08
	818.09	**895.08**

26. OTHER INCOME

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	1,062.03	624.72
Foreign exchange fluctuation gain (net)	53.21	20.25
Interest on IT Refund	-	10.59
Other Income	277.79	49.77
	1,393.02	**705.32**

27. COST OF MATERIALS AND COMPONENTS CONSUMED

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock of raw materials	1,015.69	600.70
Add: Purchases	22,956.05	6,778.02
	23,971.74	**7,378.72**
Less: Closing stock of raw materials	5,875.07	1,015.69
	18,096.67	**6,363.03**

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

28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening work in progress	3,095.82	816.62
Closing work in progress	7,467.05	3,095.82
Net (increase)/decrease in stock	**(4,371.23)**	**(2,279.20)**

29. MANUFACTURING EXPENSES

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and Fuel	36.08	29.95
Spares and Stores	45.41	47.74
Material Handling Charges	9.37	13.82
Travel Expenses - Production	8.12	12.52
Factory Maintenance	559.11	355.90
Training Charges	0.43	3.71
Factory Wages	408.17	296.70
	1,066.69	**760.34**

30. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	3,611.01	2,062.95
Contribution to provident and other funds	69.51	54.85
Directors' sitting fees	10.50	12.00
Gratuity expense	57.07	42.94
Staff welfare expenses	137.87	74.37
Share based Payment Expenses	437.69	44.21
	4,323.66	**2,291.32**

31. FINANCE COSTS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bank Charges	29.28	29.40
BG Commission	115.34	76.42
Processing Charges	29.32	18.19
Interest on borrowings		
- interest on cash credit account	-	-
- interest on Vehicle loan	0.07	0.68
- interest on lease liability	4.97	0.77
- interest Others	4.89	77.10
- interest on MSME	0.19	-
	184.05	**202.55**

32. DEPRECIATION AND AMORTISATION

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation and Amortization Expense	704.25	434.61
Depreciation on Right-of-use assets	27.81	3.01
	732.05	**437.62**

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

33. OTHER EXPENSES

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Business Promotion	119.98	160.54
Exhibition expenses	163.36	184.99
Commission on sales	1,234.92	464.38
System Installation & Maintenance	127.61	93.55
Freight	157.33	77.82
Domestic Travel	414.04	409.55
Foreign Travel	332.91	245.86
Advertisement	140.09	117.12
Conveyance	45.27	55.27
Corporate Social Responsibility Expense*	40.50	44.79
Electricity Charges	44.33	35.13
Insurance	55.40	42.12
Office Maintenance	234.67	151.83
Postage & Telephone	35.33	33.38
Printing & Stationery	25.33	12.53
Professional Charges	656.68	580.84
Rates & Taxes	68.32	63.24
Rent	176.57	184.53
Security expenses	58.70	53.76
Vehicle Maintenance	34.33	33.95
Computer Maintenance	2.22	20.43
Spares & Stores-R&D	733.29	663.64
Advances Written off	115.50	-
Provision for Impairment of Investments	224.22	-
Provision for Expected credit loss	363.21	38.83
Payment to Auditors (refer details below)	8.85	5.65
Provision for Advances	22.85	-
Provision for Warranties	206.14	-
Other Expenses	346.81	106.78
	6,188.58	**3,880.51**

(i) Payment to auditors

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
For Statutory Audit	5.50	5.50
For Certification services	2.35	-
For other services	1.00	0.15
Out of pocket expenses	-	-
	8.85	**5.65**

(ii) Details of CSR expenditure

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Gross amount required to be spent by the Company during the year	40.50	44.79
b) Amount approved by the board to be spent during the year	40.50	44.79
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	40.50	44.79

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

Amount spent during the year ending on March 31, 2024:

Particulars	In Cash	Yet to be paid in Cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purpose other than (i) above	40.50	-	40.50

Amount spent during the year ending on March 31, 2023:

Particulars	In Cash	Yet to be paid in Cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purpose other than (i) above	44.79	-	44.79

Details of spent/unspent obligations:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable trust	40.50	44.79
iii) unspent amount in relation to		
- Ongoing Project	-	-
- Other than Ongoing Project	-	-
	40.50	**44.79**

34. COMPONENTS OF OTHER COMPREHENSIVE INCOME

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit plans	(44.01)	(18.70)
Deferred tax on remeasured gain/(loss)	12.82	5.45
	(31.19)	**(13.25)**

35. INCOME TAX

The major components of income tax expenses for the year ended March 31, 2024 and March 31, 2023 are as follows:

Profit or loss section

Particulars	March 31, 2024	March 31, 2023
Current tax expense	3,523.53	952.00
MAT credit utilisation	1,886.92	609.50
Deferred tax	107.07	67.46
Total income tax expense recognised in Statement of Profit and Loss	**5,517.52**	**1,628.96**

OCI section

Particulars	March 31, 2024	March 31, 2023
Tax Effect on remeasurement of defined benefit plans	23.00	5.45
Income tax charged to OCI	**23.00**	**5.45**

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

a) Reconciliation of tax expense to the accounting profit is as follows:

Particulars	March 31, 2024	March 31, 2023
Profit before tax	18,440.97	5,392.74
At India's statutory income tax rate of 29.12%	5,370.01	1,570.37
Adjustments in respect of current income tax of previous years	-	-
Adjustments		
Items which are not tax deductible for computing taxable income	59.03	47.34
Effect of change in income tax rate for deferred tax recognised	38.74	68.33
Effect of items which are not taxable for computing taxable income	50.95	(58.24)
Others	(1.21)	1.17
Income tax expense recognised in the Statement of Profit and Loss	**5,517.52**	**1,628.96**

b) Deferred tax asset/(liability)

Particulars	March 31, 2024	March 31, 2023
Deferred tax liability (net)	(633.74)	(544.22)
MAT credit entitlement	-	1,886.92
Deferred tax asset (net)	**(633.74)**	**1,342.70**

2023-24

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit availed/ (utilization)	Closing balance
Deferred tax (liabilities)/assets in relation to:					
MAT credit	1,886.92	-	-	(1,886.92)	-
Timing difference on					
- Property, plant and equipment	(646.38)	(79.74)	-	-	(726.12)
- Disallowances under Income Tax Act, 1961, allowed on payment basis	100.23	(32.83)	-	-	67.40
- Remeasurement of defined benefit plans	0.86	-	23.00	-	23.86
- Others	1.08	0.05	-	-	1.13
Deferred tax (liabilities)/assets (Net)	**1,342.70**	**(112.51)**	**23.00**	**(1,886.92)**	**(633.74)**

2022-23

Particulars	Opening balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	MAT Credit availed/ (utilization)	Closing balance
Deferred tax (liabilities)/assets in relation to:					
MAT credit	2,496.41	-	-	(609.50)	1,886.92
Timing difference on					
- Property, plant and equipment	(553.61)	(92.77)	-	-	(646.38)
- Disallowances under Income Tax Act, 1961, allowed on payment basis	75.83	24.39	-	-	100.23
- Remeasurement of defined benefit plans	(4.59)	-	5.45	-	0.86
- Others	0.16	0.92	-	-	1.08
Deferred tax (liabilities)/assets (Net)	**2,014.21**	**(67.46)**	**5.45**	**(609.50)**	**1,342.70**

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

36. EARNINGS PER SHARE

Basic EPS amounts are 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/(loss) attributable to equity holders (after adjusting for interest on the Compulsory convertible debentures) by the weighted average number of equity shares outstanding during the period/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	March 31, 2024	March 31, 2023
Earnings per equity share		
Profit attributable to equity shareholders (₹ in Lakhs)	12,923.45	3,763.78
Add: Interest on Compulsory Convertible Debentures (CCD)	3.59	54.65
Adjusted earnings	**12,927.05**	**3,818.43**
Weighted average number of equity shares outstanding (Nos.) of Face Value of ₹ 1/- each	7,95,10,000	7,95,10,000
Add: Post converion of CCD's on allotment of ordinary shares (Nos. 40,64,627) of face value of ₹ 1/- each	34,76,033	-
Add: Conversion of share warrants on allotment of ordinary shares (Nos. 4,69,633) of face value of ₹ 1/- each	4,01,626	-
Less: Weighted average number of equity shares held by ESOP trust (Nos.) of Face value of ₹ 1/- each	(6,05,788)	(2,61,366)
Weighted average number of equity shares for Basic EPS (Nos.)	**8,27,81,871**	**7,92,48,634**
Effect of dilutive equivalent Compulsorily convertible debentures	5,88,594	40,64,627
Weighted average number of equity shares for dilutive EPS (Nos.)	**8,33,70,465**	**8,33,13,261**
Face value per equity share (₹)	1.00	1.00
Earning per share - Basic (₹)	**15.61**	**4.75**
Earning per share - Diluted (₹)	**15.51**	**4.58**

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

(a) Defined contribution plan

The following amount recognised as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	March 31, 2024	March 31, 2023
Profit or loss section		
Contribution to provident fund recognised as expense in the Statement of Profit and Loss	69.51	54.85

(b) Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on retirement at 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

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

The following table's summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Particulars	March 31, 2024	March 31, 2023
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	44.99	33.40
Past service cost	-	-
Interest cost on defined benefit obligation	21.54	17.36
Interest income on plan assets	(9.46)	(7.82)
Other adjustments	-	-
Net benefit expense	**57.07**	**42.94**
Re measurement during the period/year due to		
Actuarial loss/(gain) arising from change in financial assumptions	3.30	(8.24)
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	40.33	26.49
Return on plan assets excluding interest income	0.38	0.45
Amount recognised in OCI outside profit and loss statement	**44.01**	**18.70**
Balance Sheet		
Reconciliation of net liability/asset		
Closing Present Value of Defined Benefit Obligation	456.57	351.58
Closing Fair Value of Plan Assets	(151.40)	(122.65)
Closing net defined benefit liability	**305.17**	**228.92**
Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	228.92	182.38
Current service cost	44.99	33.40
Past service cost	-	-
Interest cost	12.08	9.54
Adjustment to opening balance	-	-
Re measurement during the period due to		
Actuarial loss/(gain) arising from change in financial assumptions	3.30	(8.24)
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	40.33	26.49
Return on plan assets excluding interest income	0.38	0.45
Benefits paid	(24.84)	(15.10)
Closing defined benefit obligation	**305.17**	**228.92**
Change in fair value of plan assets during the year		
Opening Fair Value of Plan Assets	122.65	121.89
Adjustment to opening balance	-	-
Contributions paid by the employer	24.84	15.10
Return plan assets (Excluding interest income)	(0.38)	(0.45)
Benefits paid	(5.17)	(21.71)
Interest income on Plan Assets	9.46	7.82
Closing Fair Value of Plan Assets	**151.40**	**122.65**

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

Particulars	March 31, 2024	March 31, 2023
Discount rate (p.a.)	6.97%	7.14%
Salary escalation rate (p.a.)	6.00%	6.00%
Mortality rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Disability rate	0.00%	0.00%
Withdrawal rate (Past service (PS))	PS:0 to 42 : 15%	PS:0 to 42 : 15%
Normal retirement age (in years)	60	60
Adjusted average future service	5.22	5.14

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

A quantitative analysis for significant assumptions is as shown below:

Particulars	March 31, 2024	March 31, 2023
Assumptions - Discount rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	437.89	337.67
Impact of Decrease in 1% on defined benefit obligation	477.15	366.90
Assumptions - Salary Escalation rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	472.31	363.54
Impact of Decrease in 1% on defined benefit obligation	441.54	340.14

Asset Liability Comparisons

Year	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
PVO at the end of the period	252.00	270.39	304.27	351.58	456.57
Plan Assets	95.23	104.36	121.89	122.65	151.40
Surplus/(Deficit)	(156.77)	(166.03)	(182.38)	(228.92)	(305.17)
Experience adjustment on plan assets	16.48	1.63	1.39	(0.45)	(0.38)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. Such as supply and demand in the employment market.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	March 31, 2024	March 31, 2023
Expected future benefit payments		
Within the next 12 months (next annual reporting period)	117.22	99.80
Between 2 and 5 years	216.35	163.22
Between 6 and 10 years	164.33	122.13
Total expected payments	**497.90**	**385.15**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period (based on discounted cash flows 4.26 years. (March 31, 2023: 4.17 years).

38. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

I) Claims against the Company not acknowledged as debts:

i) On account of Direct Tax matters - ₹ 441.48 Lakhs (March 31, 2023: ₹ 441.48 Lakhs)

ii) On account of Indirect Tax matters (Central Excise Duty) - ₹ 823.40 Lakhs (March 31, 2023: ₹ 823.40 Lakhs)

The Company 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 accrued in the financial statements for the tax demand raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

Note:

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 and the computation of, or eligibility of, the Company's use of certain tax incentives or allowances. During the year, the Company has reassessed the existing possible obligations, accordingly considered under contingent liability.

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

II) Guarantees

Particulars	March 31, 2024	March 31, 2023
Corporate Guarantee issued infavour of customer(s) of		
Unistring Tech Solutions Private Limited	-	1,012.44

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

At March 31, 2024, the Company has commitments of ₹ 412.96 Lakhs relating to construction of new factory building at Maheswaram (March 31, 2023: ₹ 36.32 Lakhs relating to renovation of factory buildings at Maheswaram).

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) Parties where control exists	
Zen Technologies USA Inc	Subsidiary Company
Unistring Tech Solutions Private Limited	Subsidiary Company
Zen Medical Technologies Private Limited	Subsidiary Company
Zen Defence Technologies L.L.C, UAE	Subsidiary Company
Aituring Technologies Private Limited	Subsidiary Company
(b) Key Managerial Personnel (KMP)	
Mr. Ashok Atluri	Chairman & Managing Director
Mr. Kishore Dutt Atluri	President & Joint Managing Director
Mr. M Ravi Kumar	Whole-Time Director
Ms. Shilpa Choudari	Whole-Time Director
Dr. Ravindra Kumar Tyagi	Independent Director
Mr. Amreek Singh Sandhu	Independent Director (Till 02-02-2024)
Ms. Sirisha Chintapalli	Independent Director
Dr. Ajay Kumar Singh	Independent Director
Mr. Sanjay V Jesrani	Independent Director (w.e.f 27-01-2024)
Mr. Raghavendra Prasad Movva	Company Secretary & Compliance Officer
Mr. Afzal Harunbhai Malkani	Chief Financial Officer
(c) Relatives of Key Managerial Personnel	
Mr. Arjun Dutt Atluri	Vice President, Son of Mr. Kishore Dutt Atluri
Mrs. Rama Devi Atluri	Spouse of Mr. Kishore Dutt Atluri
Ms. Anisha Atluri	Manager - HR & Admin, Daughter of Mr. Kishore Dutt Atluri
Ms. Abhilasha Atluri	Process Innovator - Daughter of Mr. Ashok Atluri (w.e.f 27-01-2024)
(d) Other related firms & associates	
Veer Sammaan Foundation	Founder Trustee
Zen Technologies Limited Employee Welfare Trust	Entity under the control of the Company
(e) Entities controlled by persons having control/significant influence over Company	
Indigenous Defence Equipment Exporters Association	Entity accustomed to act in accordance with the advice, directions or instructions of a Director

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

B) Following are the transactions with related parties during the year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Purchases		
Unistring Tech Solutions Private Limited	2,670.64	842.01
ii) Capital Purchases		
Unistring Tech Solutions Private Limited	373.31	-
iii) Sales		
Unistring Tech Solutions Private Limited	1,299.89	-
iv) Remuneration to KMP		
Mr. Ashok Atluri	236.30	61.22
Mr. Kishore Dutt Atluri	200.19	69.24
Mr. M Ravi Kumar	74.47	69.79
Ms. Shilpa Choudari	39.50	24.39
Mr. Raghavendra Prasad Movva-CS	18.18	-
Mr. Afzal Harunbhai Malkani-CFO	64.78	66.52
v) Commission to KMP		
Mr. Ashok Atluri	553.24	115.36
Mr. Kishore Dutt Atluri	430.28	161.44
vi) Remuneration to relatives of KMP		
Mr. Arjun Dutt Atluri	23.98	22.78
Ms. Anisha Atluri	13.28	11.33
Ms. Abhilasha Atluri	2.12	-
vii) Sitting Fee to Independent Directors		
Ms. Sirisha Chintapalli	1.50	3.00
Mr. Sanjay V Jesrani	1.00	-
Mr. Amreek Singh Sandhu	4.00	4.50
Dr. Ravindra Kumar Tyagi	4.00	4.50
Dr. Ajay Kumar Singh	-	-
viii) Rent		
Mrs. Ramadevi Atluri	7.04	6.70
ix) CSR Expenditure		
Veer Sammaan Foundation	40.50	44.79
x) Reimbursement of expenses		
Zen Defence Technologies L.L.C, UAE	2.11	0.80
xi) Corporate Guarantee		
Corporate Guarantee issued infavour of customer(s) of Unistring Tech Solutions Private Limited (Guarantee Given by the Company's Bankers)	90.23	-
xii) Investments		
Zen Defence Technologies L.L.C, UAE	33.66	-
xiii) Advance for material supplies		
Unistring Tech Solutions Private Limited	3,055.07	745.02

C) Balances with the related parties are summarised below:

Particulars	March 31, 2024	March 31, 2023
i) Related party receivables grouped under		
a) Other current assets		
Unistring Tech Solutions Private Limited (Advance to material suppliers(Creditors))	3,055.07	745.02
Mr. Arjun Dutt Atluri (Advances to Employees)	2.15	-
Ms. Anisha Atluri (Advances to Employees)	0.04	-

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

C) Balances with the related parties are summarised below: (Contd.)

Particulars	March 31, 2024	March 31, 2023
Zen Defence Technologies L.L.C, UAE	2.91	0.80
Unistring Tech Solutions Private Limited (Debtors)	1,532.57	-
Aituring Technologies Private Limited (Advance to material suppliers(Creditors))	264.13	-
b) Investments		
Zen Technologies USA Inc	1,434.67	1,434.67
Unistring Tech Solutions Private Limited	700.07	700.07
Zen Medical Technologies Private Limited	75.20	75.20
Zen Defence Technologies L.L.C, UAE	33.66	-
Aituring Technologies Private Limited	387.00	-
ii) Related party payables grouped under		
a) Other Current Financial liabilities		
Mr. Ashok Atluri	570.74	119.56
Mr. Kishore Dutt Atluri	447.78	165.64
Mr. M Ravi Kumar	6.05	6.05
Ms. Shilpa Choudari	4.92	2.00
Mr. Raghavenda Prasad Movva	1.68	-
Mr. Afzal Harunbhai Malkani	4.98	8.32
Mr. Arjun Dutt Atluri	2.18	1.98
Ms. Anisha Atluri	1.48	0.98
Ms. Abhilasha Atluri	0.98	-
iii) Corporate Guarantee		
Corporate Guarantee issued infavour of customer(s) of Unistring Tech Solutions Private Limited (Guarantee Given by the Company's Bankers)	-	1,012.44

Key managerial personnel of the Company is covered by the Company's gratuity policy and is 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 those that prevail in 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.

40. THE FOLLOWING DETAILS RELATING TO MICRO, SMALL AND MEDIUM ENTERPRISES SHALL BE DISCLOSED IN THE NOTES

	Particulars	March 31, 2024	March 31, 2023
a)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	1,846.66	74.03
b)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.19	-
c)	The amount of Interest paid, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
d)	The amount of Interest due and payable for the year	-	-
e)	The amount of interest accrued and remaining unpaid at the end of the accounting year	0.19	-
f)	The amount of Further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note: The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company.

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

41. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 108 "OPERATING SEGMENTS"

Operating Segments

The Company's operations predominantly consist of Military Training & Operations. The Company's Chief Operating Decision Maker (CODM) review the operations of the Company as a single reportable segment and operations from other than Training & Simulation does not qualify as a reportable segment as these operations are not material. Hence there are no reportable segments under Ind AS 108. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

Geographical Information

Revenue	For the year ended March 31, 2024	For the year ended March 31, 2023
Domestic	35,015.97	10,460.71
Overseas	8,011.54	5,682.87
Total revenue as per statement of profit or loss	**43,027.51**	**16,143.58**

The revenue information above is based on the locations of the customers.

Non-current operating assets

Particulars	March 31, 2024	March 31, 2023
India	113.59	67.39
Outside India	-	-
Total non-current operating assets	**113.59**	**67.39**

Non-current assets for this purpose excludes financial assets and deferred tax assets.

Information about major customers

During FY 2023-24, total revenue consists of 61.51% from single customer.

42. FINANCIAL INSTRUMENTS

A. 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.	March 31, 2024		March 31, 2023		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial assets						
Trade receivables	10	16,914.87	-	6,615.70	-	-
Cash and cash equivalents	11	2,606.47	-	9,133.16	-	-
Other bank balances	12	11,613.15	-	5,588.77	-	-
Loans	6B	2.91	-	0.80	-	-
Other financial assets	13	3,608.03	-	5,789.55	-	-
Total financial assets		**34,745.43**	**-**	**27,127.98**		
Financial liabilities						
Borrowings	18 & 21	-	-	584.42	-	-
Lease liabilities	19	113.20	-	10.12	-	-
Trade payables	22	2,615.48	-	365.06	-	-
Other financial liabilities	19B	1,682.88	-	934.50	-	-
Total financial liabilities		**4,411.56**	**-**	**1,894.10**	**-**	**-**

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 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.

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

B. Measurement of fair values

i. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in the current year and no transfers in either direction in previous year.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk and Liquidity risk.

i) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk. Financial instruments affected by market risk include loans, borrowings and deposits.

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 having current borrowings in the form of working capital, Compulsory Convertible Debentures (CCDs) and current maturities of vehicle loan. There is a fixed rate of interest in case of vehicle loan, Compulsory Convertible Debentures (CCDs) hence, there is no interest rate risk associated with these borrowings. The Company is exposed to interest rate risk associated with working capital facility due to floating rate of interest.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear. The method used for deriving sensitivity information and significant variables have not been changed from the previous period.

As at March 31, 2024 and March 31,2023, Current borrowings (Working capital facility) of ₹ Nil Lakhs and ₹ 157.08 Lakhs, respectively, were subject to variable interest rates.

Change in Interest Rate

Particulars	Impact on Profit Before Tax	
	March 31, 2024	March 31, 2023
Increase in 100 basis points	-	(1.57)
Decrease in 100 basis points	-	1.57

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

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 business. 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	March 31, 2024	March 31, 2023
Raw Materials and Components	2,578.60	1,621.04
Capital Goods	85.54	-
Stores and Spares	-	1.59
Foreign Travel	332.93	278.91
Membership	-	1.05
Professional Charges	10.89	1.28
Exhibition Expenses	145.32	18.17
Employee benefits expense	-	219.46
Others	34.88	694.72

Receivables/(Payables) in Foreign Currency

Particulars	March 31, 2024	March 31, 2023
Advance from customers	(10,252.94)	5,979.14
Trade payables	(42.10)	35.12
Trade Receivables	754.82	3,208.67
Advance to Material suppliers	89.08	257.48

Exchange gain of ₹ 53.21 Lakhs and ₹ 20.25 Lakhs has been recognised in the standalone statement of profit and loss for the years ended March 31, 2024 and March 31, 2023 respectively.

ii) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from credit exposures from trade receivables, advances given to suppliers (for procurement of goods, services and capital goods), cash and cash equivalent with banks, security deposits and loans.

Trade receivables and other receivables

the credit risk of the Company is managed at a corporate level by the risk management committee which has established the credit policy norms for its customers. The Company expects to continue to derive most of its revenue from the Indian Defence Services under the contracts of the Ministry of Defence (MoD),consequent to which the Company has a negligible credit risk associated with such receivables.

Provision for expected credit losses

As the debtors are predominantly the Government of India (Indian Defence Services, Ministry of Home Affairs),Public Sector Undertakings where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is 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, 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.

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 Company 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.

iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

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

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 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 and cost-effective manner.

The table below analyses derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Carrying Value	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
As at March 31, 2024						
Borrowings	-	-	-	-	-	-
Other financial liabilities	1,796.07	6.45	1,539.97	136.45	113.20	-
Trade payables	2,615.48		2,615.48			
As at March 31, 2023						
Borrowings	584.42	157.08	427.34	-	-	-
Other financial liabilities	944.62	7.10	824.87	102.53	10.12	-
Trade payables	365.06	-	365.06	-	-	-

At present, the Company does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

44. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Particulars	March 31, 2024	March 31, 2023
Gearing ratio		
Borrowings (non-current and current, including current maturities of non-current borrowings, interest accrued and due, Interest accrued but not due)	-	584.42
Less: Cash and cash equivalents (including balances at bank other than cash and cash equivalents and margin money deposits with banks)	(16,499.88)	(19,172.37)
Net debt (A)	**(16,499.88)**	**(18,587.95)**
Equity (B)	45,312.65	31,919.22
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.

*As at March 31, 2024 and March 31, 2023, Gearing Ratio is negative on hence represented as Nil.

45. EMPLOYEE STOCK OPTION SCHEME

a) 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 28 August 2021, Zen Technologies Limited introduced the Employee Stock Option Plan-2021, which was subsequently ratified by the shareholders on September 29, 2022, in accordance with SEBI Regulations. The plan received in-principle approval from the National Stock Exchange of India Limited and BSE Limited to issue a maximum of

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

4,000,000 equity shares with a face value of ₹ 1/- each, under the Zen Technologies Limited Employee Stock Option Plan-2021.

To facilitate the implementation of the ESOP scheme, the ESOS trust borrowed funds of ₹ 10 Crores from the Company, as approved by the Board of Directors on 30 October 2021. The trust utilized these funds to purchase 4,81,524 shares from the secondary market, with a total consideration of ₹ 966.13 Lakhs, for allocation to eligible employees under the ESOS scheme. And trust further borrowed as of March 31, 2023, these shares were acquired. During the year, ESOS trust borrowed funds of ₹ 5.75 Crores and utilised such funds to Purchase 1,59,876 shares from secondary Market with total consideration of ₹ 601.53 Lakhs.

During the Nomination and Remuneration Committee meeting on October 28, 2023, it was decided, in compliance with the Zen Technologies Limited Employee Stock Option Plan-2021 and relevant laws and regulations, to grant 22,500 Employee Stock Options (ESOPs) to eligible employees as identified and determined by the committee. The exercise price for these options is set at ₹ 100/- (Rupees Hundred Only) 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".

As at March 31, 2024, the ESOP Trust purchased 6,41,400 shares from secondary market for an aggregate consideration of ₹ 1567.66 Lakhs.

During the year, Trust has repaid amount of ₹ 127.6 Lakhs from the proceeds realised on exercise of options

b) The nature and extent of share-based payment arrangements that existed during the period.

Summary of options granted under plan:

Particulars	March 31, 2024	March 31, 2023
Options Outstanding at the beginning of the year	2,70,900	-
No. of Options Granted during the Year	22,500	2,70,900
No.of Options Exercised during the year	1,23,690	-
No. of Options Forfeited/Cancelled/Expired during the year	10,000	-
Options Outstanding at the ending of the year	1,59,710	2,70,900
Vested and Exercisable	1,18,710	-

The fair value of the share-based payment options granted on is determined using the black scholes model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

46. EXCEPTIONAL ITEMS

During the F.Y.2021-22 Company filed total insurance claim of ₹ 712.00/- Lakhs, Out of which entity received an ad-hoc amount of ₹ 200.00/- Lakhs in the previous year and the total insurance claim has been revised to a total of ₹ 656 Lakhs under the assessment with Insurance Company against the claim lodged with reference to a loss of property, plant and equipment that were destroyed due to a fire at the Company's Demonstration Centre located at Maheshwaram Hardware Park near Shamshabad Airport on November 30, 2021.During the year the compnay had additoinally received ₹ 240.90/- Lakhs as full and final settlement from the insurance Company.

The entity has recognised the expenditure incurred in the process of replacing the assets lost and renovation of building which is damaged and the same has been accounted as Capital work-in-progress (Refer Note 4C) after capitalization of identifiable items which are ready for intended use by the management.

Further, Company has recognised the loss of ₹ 27.96 Lakhs pertaining to a loss of property plant and equipment under exceptional items in the Statement of Profit and Loss during the financial year 2021-22.

During the Current financial year the Company has received an amount of ₹ 240.90/- Lakhs as full and final settlement from the insurance claim out of total revised claim of ₹ 656 Lakhs and thus the Company has received ₹ 440.90/- Lakhs as a total claim from the insurance Company.

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

47. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	2.26	2.33	(3.14%)	
Debt-Equity Ratio (in times)	Total Debt (Current borrowings and non-current borrowings)	Shareholder's Equity	-	0.02	(100%)	Note A
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	23.28	5.47	325.70%	Note B
Return on Equity Ratio (in %)	Profit for the year less preference dividend (if any)	Average Shareholder's Equity	33.47%	12.32%	171.59%	Note C
Inventory turnover ratio (in times)	Cost of goods sold/Sales	Average Inventory	1.70	1.75	(3.27%)	-
Trade Receivables turnover ratio (in times)	Revenue From Operations	Average Trade Receivable	3.66	3.77	(2.93%)	-
Trade payables turnover (in times)	Cost of material +Manufacturing Expenses+ Other expenses	Average Trade Payables	20.27	32.76	(38.12%)	Note D
Net capital turnover ratio (in times)	Revenue From Operations	Working capital = Current assets - Current liabilities	1.34	0.97	38.20%	Note E
Net profit ratio (in %)	Profit for the year	Revenue From Operations	30.04%	23.31%	28.83%	Note F
Return on Capital employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	40.56%	17.97%	125.72%	Note G
Return on Investment*	Income from Investment	Cost of Investment	N.A.	N.A.	N.A.	-

Note A: With the reduction in total debt during the year and increase in shareholders' equity on account of higher profits during the year, the ratio has decreased compared to previous year.

Note B: Due to repayment of borrowings related to debt component of Compulsory Convertible Debentures (CCD's) which were issued during the FY 2021-22, there is a decrease in Debt service coverage ratio in current year.

Note C: Improved due to increase in PAT on account of increase in Revenue from operations, relatively lower fixed overheads.

Note D: During the year, there has been a significant increase in average trade payables and with higher sales, material consumption for the year has also increased resulting into an decrease in the trade payable turnover ratio.

Note E: Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

Note F: Due to new orders, favourable market conditions which resultant to increase in revenue from operations with better operation performance leads to increase in net profits during the year.

Note G: Due to increase in profit before interest and tax during the year because of revenue is recognised after performing obligations under contracts.

*The Company is not having any market linked investments."

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

48. DIVIDEND PROPOSED AND PAID

The final dividend on shares is recorded as a liability on the date of the approval by the shareholders. The Company declares and pays dividends in Indian Rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognised as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

Particulars	March 31, 2024	March 31, 2023
Final Dividend for the Financial Year 2021-22	-	79.23
Final Dividend for the Financial Year 2022-23	166.81	-
	166.81	**79.23**

Net after elimination of amount of ₹ 1.28 Lakhs (₹ 0.28 Lakhs in March 31, 2023) pertaining to purchase of shares (Treasury Shares) held by Zen Technologies Limited Employee Welfare Trust for ESOP Scheme-2021.

During the year ended March 31, 2024, on account of final dividend for FY 2022-23, the Company has incurred a net cash outflow of ₹ 166.81 Lakhs. The Board of Directors at its meeting on May 4, 2024, recommended a final dividend of ₹ 1/- per equity share for the financial year ended March 31, 2024. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM) to be held in September 2024 and if approved, equity shares for considering dividend which would result in a net cash outflow of approximately ₹ 840.44 Lakhs.

49. COMPULSORILY CONVERTIBLE DEBENTURES

On 25 November 2021, the Company has made a preferential allotment of 40,64,267 10% Compulsorily convertible debentures having face value of ₹ 213/- each, for cash, for an aggregate amount of up to ₹ 86,57,65,551/-, which shall be converted into equal number of equity shares of ₹ 1/- each at a premium of ₹ 212/- with in a period of 18 months.

We have accounted this instrument as per Ind AS 109. Financial Instruments, by considering the same as Compound Financial Instrument. This instrument consists of 2 components.

1) Mandatory interest payment by the Company for a fixed amount at a fixed future date and this component is treated as a Financial liability - Borrowings (Note-18 & 21). The financial liability is done by measuring the net present value of the discounted cashflows of interest payment. The discount rate we have considered is HDFC Bank's CC Rate of interest which is 8.50% p.a as the same have tenure near to the CCD.

2) As the holder of the instrument has the option to convert the CCDs into Equity shares on or before 18 months and even in case of holder not exercising the conversion option before 18 months, each CCD shall be automatically be converted into Equity share of ₹ 1/- each at a premium of ₹ 212/- on the last date of the 18 month i.e May 24, 2023 without any action of the investor. Hence we have treated this component as a equity and presented the same under ""Other Equity"" in Note 17.7. The carrying amount of the equity instrument is determined by deducting the fair value of the financial liability from the fair value of the CCDs as a whole.

On May 24, 2023,as the period of 18 months ends the CCDs has been converted in to the Equity Shares of ₹ 1/- each at a premium of ₹ 212/-, as a result of which there is an increase in the Share capital (Note-16)

50. RESEARCH & DEVELOPMENT EXPENSES

There are 2 units in which Research & Development operations were conducted by the Company. Location of the units were as follows:

Unit - I: B-42 Industrial Estate, Sanath Nagar, Hyderabad - 500018.

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

Unit - II: Signature Towers, Opposite Botanical Garden, Kondapur, Hyderabad - 500084.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employee Benefits expense	1080.14	687.19
Electricity Charges	28.90	25.29
Travelling expenses	40.57	58.27
Spares & Stores	733.29	669.75
Consultancy Fee	75.17	103.61
Depreciation	26.17	28.90
Rates & Taxes	0.06	0.03
Repairs & Maintenance	5.56	5.00
Others	54.33	23.57
R&D Expenses for Unit-I	**2,044.19**	**1,601.61**
Employee Benefits expense	513.90	298.52
Electricity Charges	10.02	6.92
Depreciation	85.70	90.00
Repairs & Maintenance	11.53	13.68
Others	-	10.40
R&D Expenses for Unit-II	**621.15**	**419.52**
R&D Expenses for Unit I & Unit II	**2,665.34**	**2,021.13**

Note: The above expenditure of research & development has been determined on the basis of information available with the Company and as certified by the management.

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

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 April 1, 2023 Balance	Additions	Sales/ Adjustments	As at March 31, 2024	As at April 1, 2023 Balance	Charge for the year	Sales/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Tangible Assets(A)	**1,084.24**	**84.29**	**-**	**1,168.52**	**564.60**	**26.18**	**-**	**590.77**	**577.76**	**519.64**
Land	51.50	-	-	51.50	-	-	-	-	51.50	51.50
Building - Sanathnagar	481.88	0.41	-	482.29	96.89	8.10	-	104.99	377.31	384.99
Shed -B42	5.12	-	-	5.12	0.72	0.09	-	0.81	4.31	4.40
Shed - CNC- B 42	-	10.74		10.74	-	0.07		0.07	10.67	-
Computers	106.74	-	-	106.74	106.74	-	-	106.74	0.00	0.00
Plant and machinery	141.55	71.80	-	213.35	124.64	5.50	-	130.14	83.21	16.91
Office Equipment	84.74	0.83	-	85.56	84.29	0.47	-	84.76	0.81	0.45
Furniture & fixtures	148.51	0.51	-	149.02	95.26	10.90	-	106.16	42.86	53.25
Testing Equipment	64.20	-	-	64.20	56.06	1.05	-	57.10	7.09	8.14
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)	**1,992.06**	**84.29**	**-**	**2,076.34**	**1,472.42**	**26.18**	**-**	**1,498.59**	**577.76**	**519.64**

Unit-2, Signature Towers, Kondapur

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 1, 2023 Balance	Additions	Sales/ Adjustments	As at March 31, 2024	As at April 1, 2023 Balance	Charge for the year	Sales/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Tangible Assets(A)	**2,178.00**	**25.60**	**-**	**2,203.60**	**402.68**	**85.69**	**-**	**488.37**	**1,715.23**	**1,775.32**
Land	199.15	-	-	199.15	-	-	-	-	199.15	199.15
Building	1,459.39	-	-	1,459.39	116.22	24.32	-	140.54	1,318.85	1,343.17
Computers	75.28	24.37	-	99.65	29.85	24.94	-	54.79	44.86	45.43
Office Equipment	104.68	1.03	-	105.71	96.63	2.47	-	99.10	6.60	8.05
Furniture & fixtures	339.50	0.20	-	339.70	159.98	33.96	-	193.94	145.77	179.52
R&D Total Assets for Unit I & Unit II	**4,170.06**	**109.89**	**-**	**4,279.94**	**1,875.10**	**111.87**	**-**	**1,986.96**	**2,292.99**	**2,294.96**

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

51. DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

Reimbursement of expenses from Subsidiary

Particulars	March 31, 2024	March 31, 2023
Zen Defence Technologies L.L.C, UAE		
Balance at the year end	2.91	0.80
Maximum amount outstanding at any time during the year (Reimbursement for preliminary Expenses)	2.91	0.80

The advance given to others subsidiaries are in the nature of trade advances against orders for supply of goods & services and hence not require to disclose as per regulation 53 (f) read with para A of Schedule V of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

52. OTHER STATUTORY INFORMATION

(i) The Company does not hold any Investment Property.

(ii) The Company has not revalued its property, plant and equipment and intangible assets during the year.

(iii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(iv) The Company has not been declared as wilful Defaulter by any bank or financial institution or other lender.

(v) The Company do not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(vi) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(x) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(xi) The Company has borrowings from banks, 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.

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

M. Ravi Kumar
Whole-Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

M. Raghavendra Prasad
Company Secretary
M.No.: A41798

Place: Hyderabad
Date: May 4, 2024

Place: Hyderabad
Date: May 4, 2024

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 and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2024, 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, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, its consolidated profit including total other comprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated financial statements" section of our report. We are independent of the Group 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 consolidated 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 consolidated 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 consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matters	How our audit addressed the key audit matter
Revenue from operations (As described in Note 25 of the consolidated financial statements)	
During the year, the Group's revenue from operations increased by 100.99%. Revenue is recognized when control of the underlying products has been transferred and the performance obligations have been satisfied. The terms of sales arrangements, including the timing of the transfer of control and delivery specifications, create complexity and require significant judgment in determining the point of time at which sales revenues should be recognized. Due to the judgment involved in determining the point in time when the performance obligations are satisfied, this matter is considered a key audit matter.	**Our audit procedures included the following:** a) We have evaluated the appropriateness of the Group'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 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.

Key Audit Matters	How our audit addressed the key audit matter
Revenue from operations (As described in Note 25 of the consolidated financial statements)	
	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 reviewed management's judgments and estimates in determining the point of time for the satisfaction of performance obligations, including any contractual terms that could impact the timing of revenue recognition. f) We have evaluated the adequacy of disclosures related to revenue recognition in the financial statements to ensure they are complete and provide relevant information about the Group's revenue recognition policies and judgements.

Key Audit Matters	How our audit addressed the key audit matter
Receipts from Insurance Claims (Exceptional item) (As described in Note 46 of the consolidated financial statements)	
We have identified the exceptional item as a key audit matter due to the significance of the project to the consolidated financial statements and the fact that the integral part of Maheshwaram Building was damaged as a result of a fire during the year ended March 31, 2022. As disclosed in note 4C to the financial statements, the carrying value of CWIP (Construction Work in Progress) of Maheshwaram Plant was approximately ₹ 154.89 Lakhs at March 31, 2022 which were incurred as a part of renovation to damaged building due to fire accident. The relevant accounting policies in relation to capitalization of additions to CWIP are set out in Note 3I. The management performed an assessment of the damage of building, plant & Machinery on account of fire accident and likelihood of recoverability of damages based on the reports from the Group's project management team and external quantity surveyors and the analysis from the Group's in-house legal counsels, and considered that there will be an exceptional item of amount ₹ 27.96 Lakhs due to derecognition of damaged PPE (Property, Plant, and Equipment) for the year ended March 31, 2022. In the financial year F.Y.2022-23, the management has filed a total insurance claim of ₹ 712.00 Lakhs out of which it received an ad-hoc amount of ₹ 200.00 Lakhs and the total insurance claim was subsequently revised to ₹ 656.00 Lakhs, with a balance of ₹ 456.00 Lakhs yet to be received by the Group as on March 31, 2023. During the current financial year 2023-24, the Holding Company received the full and final settlement of ₹ 240.90 Lakhs. Thus, the Holding Company received a total claim of ₹ 440.90 Lakhs from the insurance Company.	**Our audit procedures included the following:** a) Obtaining an understanding of the progress of Maheshwaram Plant by inquiring the Company's project management team, external quantity surveyors and architects. b) Evaluating the appropriateness of the Group's construction costs and borrowing costs capitalization policies by analysing the nature of those costs capitalized against the requirements of Ind AS 16 "Property, Plant and Equipment". c) Checking, on a sample basis, the number of additions capitalized with reference to the contractors' invoices, and quantity surveyors' and architects' certificates of the construction contract works capitalized in CWIP of Maheshwaram Plant. d) Obtaining an understanding from the Group's project management team and external quantity surveyors in relation to the damage caused by the fire to PPE of Maheshwaram Plant and the management's assessment of the impact of the fire on the future economic performance and useful lives of the PPE of Maheshwaram Plant. e) Evaluating the analysis performed by the Company's management in respect of the contractual performance obligations of the contractors arising from the fire under the terms of construction contracts; and f) Evaluating the overall appropriateness of the Group's management's assessment of the financial effect of the fire on the carrying values of the respective PPE in Maheshwaram Plant. g) Confirmed the amounts received from the insurance Company and verified the adequacy of the disclosure in the financial statements.

Key Audit Matters	How our audit addressed the key audit matter
Receipts from Insurance Claims (Exceptional item) (As described in Note 46 of the consolidated financial statements)	
	h) Reviewed the subsequent events and adjustments made by management to ensure the completeness and accuracy of the exceptional item and insurance recoveries. i) Evaluating the total amount spend by the Company on renovation of factory building at Maheshwaram and the same has been accounted as capital work in progress (refer note 4C) after capitalisation of identifiable items which are ready for intended use by the management.

Key Audit Matters	How our audit addressed the key audit matter
Accounting for Employee Stock Option Plan-2021 (As described in 45 of the consolidated financial statements)	
We identified Material transactions related to the Employee Stock Option Plan (ESOP) during the year: During the Annual General meeting held on August 28, 2021, Zen technologies limited issued the Employee stock option plan-2021 (ESOP), which was subsequently ratified by the shareholders on September 29, 2022 in accordance with SEBI Regulations. As disclosed in the note-45 the management decided to grant the ESOP shares on February 21, 2023, with the exercise price set at ₹ 100/- per option. As of March 31, 2023, the ESOP Trust purchased 4,81,524 shares from the secondary market for an aggregate consideration of ₹ 966.13 Lakhs. The management has adopted the policy of treating the shares purchased by the ESOP Trust as treasury shares under "Other Equity" in the consolidated financial statements. As of March 31, 2023, the management has considered an amount of ₹ 44.21 Lakhs as share-based payments expenses (refer Note-30 & Note-45). During the year, the management has granted additional ESOP shares on October 30, 2023, with an exercise price of ₹ 100/- per option. As of March 31, 2024, the management has considered an amount of ₹ 437.69 Lakhs as share-based payment expenses (refer Note-30 & Note-45). Additionally, during the year, the Trust repaid an amount of ₹ 127.6 Lakhs from the proceeds realized on the exercise of options.	**Our audit procedures include the following:** a) We have assessed the appropriateness of the accounting policies regarding the recognition and measurement of share-based payments of employee stock option plan is in compliance with applicable Indian accounting standards. b) We have assessed whether all the statutory regulations and rules governing the Company regarding employee stock option plan have been complied and verified the authorization and approval process of the ESOP scheme during the Annual General Meeting and its subsequent ratification by the shareholders. c) We have assessed the fair value calculation of the ESOPs granted, including the assumptions and valuation models used by management. d) Verified the share-based payment expenses recognized in the financial statements for the years ended March 31, 2023, and March 31, 2024, and reconciled these with the underlying records and calculations. e) Evaluated the adequacy and completeness of disclosures related to the ESOP transactions in the financial statements, including Notes 30 and 45 in the financial statements.

Key Audit Matters	How our audit addressed the key audit matter
Business Combination (As described in Note 51 of the consolidated financial statements)	
During the year, the Holding Company has completed the acquisition of Aituring Technologies Private Limited a) The Holding Company has accounted for such acquisition as a business combination as per Ind AS 103, "Business Combinations" by recognizing identifiable assts and liabilities at fair value. b) The measurement of the identifiable assets and liabilities acquired at fair value is inherently judgmental. c) Fair value was determined by the Company with the assistance of the external valuation expert using various valuation models, which were applied according to the assets and liabilities being measured. d) Given the Complexity and judgement involved in fair value measurements and magnitude of the acquisition made by the Company, this is a key audit matter.	a) We assessed and tested the design and operating effectiveness of the Holding Company's key controls over the accounting of business combination. b) We have evaluated the competence, capabilities and objectivity of the management's expert, obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence. c) We have also assessed the Group's determination of the fair value of the remaining assets and liabilities having regard to the completeness of assets and liabilities identified and the reasonableness of any underlying assumptions in their respective valuations. d) We have also verified the management's computation of goodwill. e) We have assessed the adequacy of the Company's disclosure in respect of the acquisition in accordance with the requirements of Ind AS 103.

OTHER INFORMATION

The Holding Company's Board of Directors is 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 report(s) 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding 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 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 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. The respective Board of Directors of the companies included in the Group 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 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 are responsible for overseeing the Group's financial reporting process.

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. Mis-statements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- 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 Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are independent auditors, 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statement 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 in dependence, 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 March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements and other financial information, in respect of four Subsidiaries, whose financial information are as follows:

Sr. No.	Name of the Company	Year ended March 31, 2024 (₹ in Lakhs)
1.	**Unistring Tech Solutions Private Limited**	
	- Total Assets	966.77
	- Revenue from Operations	5,296.05
	- Net profit/(Loss) (PBT)	478.03
	- Net Cash Inflow/(Outflow)	(1,201.27)
2.	**Zen Medical Technologies Private Limited**	
	- Total Assets	3.48
	- Revenue from Operations	-
	- Net profit/(Loss) (PBT)	(4.65)
	- Net Cash Inflow/(Outflow)	(1.00)
3.	**Zen Technologies Inc, USA**	
	- Total Assets	2.81
	- Revenue from Operations	-
	- Net profit/(Loss) (PBT)	(145.01)
	- Net Cash Inflow/(Outflow)	(152.71)
4.	**Aituring Technologies Private Limited**	
	- Total Assets	683.51
	- Revenue from Operations	172.91
	- Net profit/(Loss) (PBT)	8.44
	- Net Cash Inflow/(Outflow)	493.63

These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

The accompanying statement includes the unaudited financials of one subsidiary only whose financial information includes details as follows:

Sr. No.	Name of the Company	Year ended March 31, 2024 (₹ in Lakhs)
1	**Zen Defence Technologies L.L.C, UAE**	
	- Total Assets	-
	- Revenue from Operations	-
	- Net profit/(Loss) (PBT)	(2.58)
	- Net Cash Inflow/(Outflow)	33.57

Two of these subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and one of them (Zen Technologies Inc, USA) have been audited by other auditor under generally accepted auditing standards applicable in their respective country and the other (Zen Defence Technologies L.L.C, UAE) during the current financial year for which audit is not mandated as per laws governing the country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements and other financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, 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 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 March 31, 2024 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, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2024 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 and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** to this report;

   g) In our opinion and based on the consideration of the reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Holding Company and its subsidiaries to their 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:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 38(a) to the consolidated financial statements;

      ii. The Group 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 Holding Company.

      iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies 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, 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 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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and of its subsidiaries which are companies 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, 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 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 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 us on the Company and its subsidiaries incorporated in India, except for the instances mentioned below, have used accounting software's for maintaining their respective books of account for the financial year ended March 31, 2024 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. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

The financial statements of one subsidiary that are in the consolidated financial statements of the Group, have not been audited under the provisions of the Act as of the date of this report. Therefore, we are unable to comment on the reporting requirement under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 in respect of this one subsidiary.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the Consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
ICAI Firm Registration Number: 010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership No: 223022
UDIN: 24223022BKARLE5877

Place: Hyderabad
Date: May 4, 2024

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")

We have audited the internal financial controls with reference to consolidated financial statements of ZEN TECHNOLOGIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date. Further, as two of the subsidiary companies and two branch's is located outside India, the provisions of clause (i) of sub-section 3 of Section 143 of the Act are not applicable to them.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 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 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, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these 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, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies incorporated in India, have in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, 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 ICAI.

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
ICAI Firm Registration Number: 010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership No: 223022
UDIN: 24223022BKARLE5877

Place: Hyderabad
Date: May 04, 2024

Consolidated Balance Sheet

As at March 31, 2024

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

Sr. No.	Particulars	Note. No.	As at March 31, 2024	As at March 31, 2023
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property,Plant and Equipment	4A	8,067.37	6,798.72
	(b) Capital work-in-progress	4C	1,006.05	191.73
	(c) Right-of-use asset	4D	590.00	162.72
	(d) Goodwill	4E	301.70	115.80
	(e) Intangible assets	4B	378.89	447.20
	(f) Intangible assets under development	4F	82.29	-
	(g) Financial assets			
	(i) Investments	5	-	224.22
	(ii) Other Financial Assets	6A	2,656.00	4,746.61
	(h) Deferred Tax Assets (Net)	7	-	1,405.44
	(i) Other non-current assets	8	133.68	73.53
			13,215.98	**14,165.96**
(2)	**Current assets**			
	(a) Inventories	9	16,907.87	4,899.96
	(b) Financial assets			
	(i) Trade receivables	10	18,450.15	8,539.24
	(ii) Cash and cash equivalents	11	3,670.85	11,025.36
	(iii) Bank balances other than (ii) above	12	12,146.50	5,710.99
	(iv) Loans	13	79.94	-
	(v) Other financial assets	6B	999.08	1,043.52
	(c) Current Tax Assets (Net)	14	265.49	88.66
	(d) Other current assets	15	9,314.38	1,895.84
			61,834.27	**33,203.57**
	Total Assets		**75,050.25**	**47,369.53**
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	16	840.44	795.10
	(b) Other Equity	17	44,022.37	30,822.05
	Equity attributable to equity holders of the parent		**44,862.81**	**31,617.15**
	(c) Non-controlling interests	17	1,766.36	1,410.82
	Total Equity		**46,629.17**	**33,027.97**
	Liabilities			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	18	-	-
	(ii) (a) Lease liabilities	19.1	413.53	43.38
	(b) Deferred Govt. Grant		15.00	-
	(b) Provisions	20	379.53	282.96
	(c) Deferred Tax Liability	7	622.37	-
			1,430.43	**326.34**
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	21	61.50	589.47
	(ii) Lease Liabilities	19.1	128.35	42.57
	(iii) Trade Payables	22		
	Dues to micro enterprises and small enterprises		2,102.42	74.03
	Dues to creditors other than micro and small enterprises		1,107.70	599.41
	(iv) Other Financial Liabilities	19.2	2,033.39	1,009.91
	(b) Provisions	20	279.53	760.73
	(c) Other Current Liabilities	23	20,579.34	10,939.10
	(d) Current Tax Liabilities (Net)	24	698.43	-
			26,990.66	**14,015.21**
	Total Equity and Liabilities		**75,050.25**	**47,369.53**

Summary of Material Accounting Policy Information. 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: May 4, 2024

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

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M. Ravi Kumar
Whole-Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

M. Raghavendra Prasad
Company Secretary
M.No.: A41798

Place: Hyderabad
Date: May 4, 2024

Consolidated Statement of Profit and Loss

For the Year ended March 31, 2024

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

Sr. No.	Particulars	Note. No.	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Income**			
	Revenue from operations	25	43,985.20	21,884.62
	Other Income	26	1,492.26	724.74
	Total Income		**45,477.46**	**22,609.36**
2	**Expenses**			
	Cost of Materials and Components consumed	27	17,174.68	7,853.05
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(5,372.80)	(1,989.86)
	Manufacturing expenses	29	1,066.69	760.34
	Employee benefits expense	30	5,907.18	3,604.13
	Finance Costs	31	228.13	407.55
	Depreciation and Amortization Expense	32	967.96	605.65
	Other expenses	33	7,131.14	4,395.82
	Total Expenses		**27,102.97**	**15,636.70**
3	**Profit/(Loss) before exceptional items and tax(1 - 2)**		**18,374.49**	**6,972.68**
4	Exceptional Items	46	240.90	200.00
5	**Profit/(Loss) before tax (3+4)**		**18,615.39**	**7,172.66**
6	**Tax expense**	35		
	(i) Current tax		3,664.93	1,548.71
	(ii) Adjustment of tax relating to earlier years		(44.68)	-
	(iii) Deferred tax		2,044.70	627.14
	Total Tax expense		**5,664.95**	**2,175.85**
7	**Profit for the year (5-6)**		**12,950.44**	**4,996.82**
8	**Other Comprehensive Income**	34		
	Items that will be reclassified to profit or loss		118.47	63.84
	Income tax relating to items that will be reclassified to profit or loss		(34.50)	(3.10)
	Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**83.97**	**60.74**
	Items that will not be reclassified to profit or loss		(41.37)	(28.02)
	Income tax relating to items that will not be reclassified to profit or loss		12.15	7.80
	Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(29.22)**	**(20.23)**
	Other Comprehensive Income for the year, net of tax		**54.75**	**40.51**
9	**Total Comprehensive Income for the year (7+8)**		**13,005.19**	**5,037.33**
	Profit/(loss) for the year is attributable to			
	Equity holders of the parent		12,788.46	4,273.81
	Non-Controlling interests		161.98	723.00
	Other comprehensive income/(loss) is attributable to			
	Equity holders of the parent		53.78	43.93
	Non-Controlling interests		0.97	(3.42)
	Total comprehensive income is attributable to			
	Equity holders of the parent		12,842.25	4,317.74
	Non-Controlling interests		162.95	719.59
10	**Earning per Share**	36		
	(Face Value of ₹ 1/- Each)			
	Basic earnings per share (In ₹)		15.45	5.39
	Diluted earnings per share (In ₹)		15.34	5.20

Summary of Material Accounting Policy Information 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

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

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M. Ravi Kumar
Whole-Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

M. Raghavendra Prasad
Company Secretary
M.No.: A41798

Place: Hyderabad
Date: May 4, 2024

Place: Hyderabad
Date: May 4, 2024

Consolidated Statement of Cash Flows

For the Year ended March 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash Flows from Operating Activities		
Net profit before tax	**18,615.39**	**7,172.66**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	970.14	605.65
Profit on Sale of Property,Plant and Equipment	(0.42)	(0.93)
Provision for impairment of investments	138.35	-
Trade payables written back	(7.23)	-
Provision for impairment of investments	224.22	-
Expected Credit Loss allowance	352.34	38.83
Other non-cash items	14.68	(31.43)
Interest Income	(1,095.42)	(642.05)
Finance Cost	156.26	345.64
Interest on lease liability	4.97	-
Gratuity expense	57.07	-
Share based Payment Expenses	437.69	44.21
Foreign Exchange Fluctuation	(51.06)	37.27
Operating profit before working capital changes	**19,816.98**	**7,569.85**
Changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(7,738.24)	(4,555.54)
(Increase)/Decrease in Other financial assets	1,949.79	6,282.07
(Increase)/Decrease in Inventories	(12,007.91)	(2,404.85)
(Increase)/Decrease in Other Current Assets	(6,835.68)	275.32
(Increase)/Decrease in Other Non-Current Assets	(93.15)	167.33
Increase/(Decrease) in Trade Payables	100.00	(561.74)
Increase/(Decrease) in Other financial liabilities	(338.08)	424.64
Increase/(Decrease) in Other Current liabilities	10,208.02	5,202.88
Increase/(Decrease) in Provisions	(422.43)	675.88
Cash generated from/(used in) operating activities	**4,639.30**	**13,075.84**
Income tax paid	(3,297.57)	(1,439.65)
Net Cash from/(used in) operating activities (A)	**1,341.73**	**11,636.19**
B. Cash flows from Investing Activities		
Purchase of property, plant and equipment and CWIP	(2,979.09)	(1,314.89)
Proceeds from sale of Property,Plant and Equipment	0.47	1.10
Advance for Acquisition of shares	-	(252.84)
Interest received	914.42	646.94
Capital Advances	(34.59)	-
Purchase of Investments	(387.00)	-
(Increase)/Decrease in Other Bank Balances	(6,037.98)	550.62
Net Cash from/(used in) Investing Activities (B)	**(8,523.77)**	**(369.07)**
C. Cash flows from Financing Activities		
Increase in share capital	386.30	-
Proceeds/(Repayment) of Long-term borrowings	(582.31)	(758.18)
Proceeds/(Repayment) of Short-term borrowings	7.85	-
Purchase of Treasury shares by Zen technologies welfare trust	(477.09)	(966.13)
Dividend paid	(166.81)	(79.23)
Finance costs paid	(229.81)	(345.64)
Amount received towards share warrants	750.24	-
Amount received towards Compulsory Convertible Debentures	-	-
Principal portion of the lease liability	(17.93)	(39.14)
Net Cash from/(used in) Financing Activities (C)	**(329.55)**	**(2,188.31)**
Net Increase in cash and cash equivalents (A+B+C)	**(7,511.59)**	**9,078.81**
Cash and Cash equivalents at the beginning of the year	11,182.44	2,103.63
Cash and Cash equivalents at the end of the year	**3,670.85**	**11,182.44**
Components of Cash and Cash equivalents		
Cash on hand	9.64	11.21
Balance with banks:		
In current accounts	1,960.92	7,952.18
In overdraft accounts	199.26	1,415.54
In fixed deposits with original maturity less than 3 months	1,501.03	1,646.42

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash and Cash Equivalents as per Balance sheet	**3,670.85**	**11,025.36**
Less: OD/CC accounts forming part of Cash & Cash Equivalents	-	(157.08)
Cash and Cash Equivalents for the Cash flow statement	**3,670.85**	**11,182.44**

Summary of Material Accounting Policy Information - 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

Place: Hyderabad
Date: May 4, 2024

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

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M. Ravi Kumar
Whole-Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

M. Raghavendra Prasad
Company Secretary
M.No.: A41798

Place: Hyderabad
Date: May 4, 2024

Consolidated Statement of Changes in Equity

For the Year ended March 31, 2024

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

(A) SHARE CAPITAL

	Number of shares	Amount
As at April 1, 2022	**7,95,10,000**	**795.10**
Issued during the year	-	-
Redeemed/transferred during the year	-	-
As at March 31, 2023	**7,95,10,000**	**795.10**
Issued during the year	45,34,260	45.34
Redeemed/transferred during the year	-	-
As at March 31, 2024	**8,40,44,260**	**840.44**

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

Particulars	Reserves and Surplus							Equity Component of Compound Financial Instruments	Other Comprehensive Income		Equity attributable to the shareholders of the holding Company	Non-Controlling interests	Total Equity
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Share Warrants	Share based payment reserve	Treasury Shares	Compulsory Convertible Debentures (CCD)	Re Measurements of Defined Benefit Plans	Foreign Currency Translation Reserve			
Balances as at April 1, 2022	**2,654.31**	**117.24**	**3,525.01**	**13,421.81**	**-**	**-**	**-**	**-**	**55.38**	**3.46**	**19,777.21**	**687.81**	**20,465.02**
Profit for the Year	-	-	-	4,272.55	-	-	-	-	-	-	4,272.55	723.00	4,995.56
Amount received on account of allotment of share warrants	-	-	-	-	250.08	-	-	-	-	-	250.08	-	250.08
Issue of equity shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Allotment of equity Shares pursuant to conversion of share warrants	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(20.23)	64.26	44.03	-	44.03
Dividend paid	-	-	-	(79.23)	-	-	-	-	-	-	(79.23)	-	(79.23)
Share based payment charge on account of options granted during the year	-	-	-	-	-	44.21	(966.13)	-	-	-	(921.92)	-	(921.92)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity component of Compulsorily Convertible Debentures (CCD) issued	-	-	-	-	-	-	-	7,479.32	-	-	7,479.32	-	7,479.32
Balance as at March 31, 2023	**2,654.31**	**117.24**	**3,525.01**	**17,615.13**	**250.08**	**44.21**	**(966.13)**	**7,479.32**	**35.16**	**67.72**	**30,822.05**	**1,410.82**	**32,232.87**
Balances as at April 1, 2023	2,654.31	117.24	3,525.01	17,615.13	250.08	44.21	(966.13)	7,479.32	35.16	67.72	30,822.05	1,410.82	32,232.87
Profit for the Year	-	-	-	12,788.46	-	-	-	-	-	-	12,788.46	161.98	12,950.44
Additions to Busniess Combination (Refer Note:51)	-	-	-	-	-	-	-	-	-	-	-	193.56	193.56
Amount received on account of allotment of share warrants	-	-	-	-	750.24	-	-	-	-	-	750.24	-	750.24
Issue of equity shares	8,434.29	-	-	-	-	-	-	-	-	-	8,434.29	-	8,434.29
Exercise of Share Options	-	-	-	-	-	(195.96)	-	-	-	-	(195.96)	-	(195.96)
Issue of Treasury Shares	-	-	-	-	-	-	177.87	-	-	-	177.87	-	177.87
Allotment of equity Shares pursuant to conversion of share warrants	-	-	-	-	(1,000.32)	-	-	-	-	-	(1,000.32)	-	(1,000.32)
Other Comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(29.22)	(39.52)	(68.74)	-	(68.74)
Dividend paid	-	-	-	(166.81)	-	-	-	-	-	-	(166.81)	-	(166.81)
Share based payment charge on account of options granted during the year	-	-	-	-	-	437.69	-	-	-		437.69	-	437.69
Purchase of treasury shares	-	-	-	-	-	-	(477.09)	-	-		(477.09)	-	(477.09)
Equity component of Compulsorily Convertible Debentures (CCD) issued	-	-	-	-	-	-	-	(7,479.32)	-	-	(7,479.32)	-	(7,479.32)
Balance as at March 31, 2024	**11,088.60**	**117.24**	**3,525.01**	**30,236.79**	**-**	**285.94**	**(1,265.34)**	**-**	**5.94**	**28.20**	**44,022.37**	**1,766.36**	**45,788.73**

Summary of Material Accounting Policy Information - 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: May 4, 2024

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

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M. Ravi Kumar
Whole-Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

M. Raghavendra Prasad
Company Secretary
M.No.: A41798

Place: Hyderabad
Date: May 4, 2024

Notes to the consolidated financial statements

For the Year ended March 31, 2024

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

1. CORPORATE INFORMATION

The consolidated financial statements (CFS) comprise financial statements of Zen Technologies Limited (the Holding Company) and its subsidiaries (collectively, the Group) for the year ended March 31, 2024.

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 BSE Ltd and National Stock Exchange of India Ltd (NSE) in India

The group is principally engaged in design, development and manufacture of Training Simulators, Anti Drone Systems and operations for Para-military Forces, Armed Forces, Security Forces,Police and Government Departments like Transport, Mining, Infrastructure and Civilian market. The group caters to both domestic and international market. Information on the Group's structure is provided in Note 52.

The consolidated financial statements for the year ended March 31, 2024, were approved by the Board of Directors and authorised for issue on May 4, 2024.

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 CFS 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.

The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2024. 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 its, 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 Company, i.e., year ended on March 31. 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 holding Company's investment in each subsidiary and the holding Company'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.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 non-controlling 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;

g) Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners;

h) Reclassifies the holding Company's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

(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

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3(M) - lease classification;
- Note 3(M) - leases: whether an arrangement contains a lease and lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 3(L) - measurement of defined benefit obligations: key actuarial assumptions;
- Note 3(O) - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3(K) - impairment of financial assets;

- Note 7 & 3(N) - Recoverability/recognition of deferred tax assets;
- Note 3(G) - determining an asset's expected useful life and the expected residual value at the end of its life.

(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 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
- 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 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 POLICY INFORMATION

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 liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax 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 in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. 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. Revenue from contracts with customers

Revenue from contracts with customers is recognized, when the group satisfies a performance obligation by transferring a promised good or service to its customers at an amount that reflects the consideration to which the group expects to be entitled upon satisfying those performance obligations.

Revenue from sale of products

Revenue from sale of products is recognised at the point in time when control of the product is transferred to the customer, generally on delivery of the product. The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of product, the group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled in exchange for transferring the products to customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associates uncertainty with the variable consideration is subsequently resolved.

Revenue from rendering of services

Group provides Annual Maintenance Contract (AMC) services that are either sold separately or bundled together with the sale of product to a customer. The AMC services do not significantly customise or modify the product.

Contracts for bundled sale of products and AMC services are comprised of two performance obligations because the equipment and AMC services are both sold on a standalone basis and are distinct within the context of the contract. Accordingly, the group allocates the transaction price based on the relative standalone selling prices of the products and AMC services.

The group recognises the revenue from rendering AMC services over time because the customer simultaneously receives and consumes the benefits provided to them. The group uses an output method in measuring progress of the AMC services because there is a direct relationship between the transfer of service to the customer and the time elapsed in the contract term.

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 K below.

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).

Trade Receivables:

A receivable is recognised if an amount of consideration that is unconditional (i.e, only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note F below.

C. Recognition of Other income

i) Interest income

Interest Income mainly comprises of interest on Margin money deposit relating to bank guarantee, Deposits against Bank Overdraft with banks and other fixed deposits. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee and Over draft are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

ii) Export incentives

The group receives export incentives 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.

D. 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.

E. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

a) Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

b) Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

c) Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date 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 (April 1, 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.

F. 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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in Section (A) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

ii) Classification and subsequent measurement

All financial assets except Trade receivables are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement: For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the group changes its business model for managing financial assets.

Financial assets at amortised cost (debt instruments)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The group's financial assets at amortised cost includes trade receivables, deposits and other non-current and current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

There are no group's debt instruments which are stated at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The group has elected not to classify its investments in equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Since the group does not hold any derivative and listed equity investments, there are no financial assets classified at fair value through profit or loss.

Derecognition

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

i) Initial Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement:

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss;
- Financial liabilities at amortised cost (loans and borrowings).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and 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 contract.

On issuance of the Compulsorily Convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the Compulsorily Convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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.

G. Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs (Present Value) of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

ii) Depreciation

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on to the Companies Act, 2013 ("Schedule II"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

The group, based on technical assessment and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The group has estimated the following useful lives to provide depreciation on its property, plant and equipment:

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	15 years
Furniture and Fixtures	10 years	10 years
Motor Vehicles	10 years	10 years
Testing Equipment's	10 years	10 years
Office Equipment's	5 years	5 years
Demo Equipment	5 years	5 years
Computers		
- Servers and networks	6 years	6 years
- End user devises such as laptops, etc.	3 years	3 years

In case of Building on leasehold land, the depreciation is charged based on useful life of the building or the lease period whichever is lower. In the case of leased hold building improvements, the depreciation is charged based on useful life of the improvements which is 10 years or lease period including expected renewal period which ever is lower.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other non-current assets.

The group assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

H. Intangible assets

i) Recognition and measurement

Intangible assets that are acquired, are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

An intangible asset is derecognised upon disposal (i.e, at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the "Straight line method" (SLM) method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

- Software - 3 years

Amortisation method and useful lives are reviewed at the end of each financial year and adjusted if appropriate.

I. Capital work-in-progress

Capital work-in-progress is recognized at cost, net of accumulated impairment loss, if any. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use by the management.

J. 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.

K. Impairment of assets

i) Impairment of financial instruments

The group recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12 months expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the contract and the cash flows that the group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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.

ii) Impairment of non-financial assets

The group'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 group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the group operates, or for the market in which the asset is used.

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 group'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 group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

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 upto 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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Termination benefits

Termination benefits are recognized as an expense when the 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

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Intrinsic value method.

The fair value, determined at the grant date of the equity-settled share-based payments, is charged to Statement of Profit and Loss on a systematic basis over the vesting period of the option s in accordance with Ind AS 102 Share-based Payment, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in other equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to share based payment expenses. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Share-based Payment Reserve Account is transferred within other equity.

M. 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. Whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases are recognised on straight line basis over the term of relevant lease.

Group as a Lessee

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option. In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The group revises the lease term if there is a change in the non-cancellable period of a lease.

Right of use asset

The group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease Liability

The group measures the lease liability at present value of the future lease payments at the commencement date of the lease. In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the group recognises any remaining amount of the re-measurement in statement of profit and loss.

Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases of buildings, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

N. Income taxes

Taxes comprises Current Tax, Deferred tax and MAT credit. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and

- temporary differences related to investments in subsidiaries to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences, the carry forwards of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(iii) Minimum Alternate Tax (MAT) Credit

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the group will pay normal income tax during the specified period. The group reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the group will pay normal income tax during the specified period.

O. Provision, contingent liabilities and contingent assets

Provision

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are not recognised in financial statement. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Contingent Liabilities/Assets to the extent the Management is aware, are disclosed by way of notes to the financial statements.

P. 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.

Q. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period excluding the treasury shares in accordance with Ind AS 33 Earnings per share.

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

R. Statement of cash flow

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the group are segregated.The Group considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

S. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts and Cash Credit that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.Whereas they are classified as borrowings under current liabilities in the balance sheet.

T. Research and Development Costs (Product Development)

Research expenditure is recognized as an expense when it is incurred. Development expenditure on an individual project are recognised as an intangible asset when the group can demonstrate:

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.

U. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

V. Treasury shares

The Group has formed an Employee Welfare Trust (EWT) for providing share-based payment to its employees. The Group uses EWT as a vehicle for distributing shares to employees under the Employee Stock Option Plan-2021. The EWT purchase shares of the Holding 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).

W. Cash dividend to equity holders

The Group recognises a liability to make cash distributions to the equity holders 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.

X. 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.

Y. 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 March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to Consolidated Financials Statements

For the Year ended March 31, 2024

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

NOTE 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 April 1, 2022	**648.95**	**5,552.40**	**590.44**	**313.86**	**621.34**	**84.92**	**-**	**441.40**	**625.86**	**361.49**	**9,240.65**
Additions during the year	-	11.91	172.88	36.82	80.03	334.01	-	660.09	50.68	21.50	1,367.91
Deletions/adjustments	-	-	-	-	(0.30)	-	-	-	-	(13.00)	(13.30)
As at March 31, 2023	**648.95**	**5,564.31**	**763.31**	**350.68**	**701.07**	**418.93**	**-**	**1,101.48**	**676.53**	**369.99**	**10,595.27**
Additions during the year	-	335.30	374.09	317.06	35.15	590.41	10.74	322.97	69.77	23.24	2,078.74
Deletions/adjustments	-	-	-	-	-	-	-	(38.55)	-	(15.71)	(54.26)
As at March 31, 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**
Accumulated Depreciation											
As at April 1, 2022	**-**	**1,180.00**	**488.78**	**205.11**	**519.53**	**67.98**	**-**	**296.13**	**321.74**	**247.01**	**3,326.27**
For the Year	-	128.67	87.16	16.72	55.65	37.61	-	73.69	55.03	28.76	483.28
Deletions/adjustments	-	-	-	-	(0.01)	-	-	-	-	(13.00)	(13.01)
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	**-**	**1,308.67**	**575.94**	**221.83**	**575.17**	**105.59**	**-**	**369.82**	**376.76**	**262.76**	**3,796.55**
For the Year	-	135.32	159.43	25.80	39.11	110.57	0.07	221.22	57.74	30.06	779.32
Deletions/adjustments	-	-	-	-	-	-	-	(7.82)	-	(15.66)	(23.48)
Exchange Difference											-
As at March 31, 2024	**-**	**1,443.99**	**735.37**	**247.63**	**614.28**	**216.16**	**0.07**	**583.22**	**434.50**	**277.16**	**4,552.38**
Carrying Value											
As at March 31, 2023	**648.95**	**4,255.64**	**187.38**	**128.85**	**125.90**	**313.34**	**-**	**731.66**	**299.77**	**107.23**	**6,798.72**
As at March 31, 2024	**648.95**	**4,455.62**	**402.04**	**420.12**	**121.94**	**793.18**	**10.67**	**802.69**	**311.80**	**100.36**	**8,067.37**

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

NOTE 4B. INTANGIBLE ASSETS

Particulars	Computer Software	Other Intangible Assets	Total
Cost			
As at April 1, 2022	**1,046.64**	**696.02**	**1,742.66**
Additions during the year	24.53	-	24.53
Deletions/Adjustments	-	-	-
As at March 31, 2023	**1,071.16**	**696.02**	**1,767.18**
Additions during the year	12.75	-	12.75
Deletions/Adjustments	-	-	-
As at March 31, 2024	**1,083.91**	**696.02**	**1,779.93**
Accumulated Ammortization			
As at April 1, 2022	**1,038.27**	**201.75**	**1,240.02**
For the Year	10.36	69.60	79.96
Deletions/Adjustments	-	-	-
As at March 31, 2023	**1,048.63**	**271.35**	**1,319.98**
For the Year	11.26	69.79	81.06
Deletions/Adjustments	-	-	-
As at March 31, 2024	**1,059.89**	**341.14**	**1,401.04**
Carrying value			
As at March 31, 2023	**22.53**	**424.67**	**447.20**
As at March 31, 2024	**24.02**	**354.88**	**378.89**

NOTE 4C. CAPITAL WORK-IN-PROGRESS

Particulars	March 31, 2024	March 31, 2023
Opening Balance	191.73	252.28
Add: Additions during the year	1,244.52	257.96
Less: Capitalisations during the year	(430.20)	(318.51)
Closing Balance	**1,006.05**	**191.73**

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 March 31, 2024					
- Projects in progress	1,006.05	-	-	-	**1,006.05**
- Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023					
- Projects in progress	100.96	90.77	-	-	**191.73**
- Projects temporarily suspended	-	-	-	-	-

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

NOTE 4D. RIGHT-OF-USE ASSETS

The Company's lease asset consists of leases of land and buildings and vehicle having the various lease terms. Accordingly, the Company has adopted Ind AS 116 "Leases" to all lease contracts:

Particulars	Right-of-use assets	Total
Cost		
As at April 1, 2022	**214.15**	**214.15**
Additions during the year	-	-
Deletions/Adjustments	-	-
As at March 31, 2023	**214.15**	**214.15**
Additions during the year	535.96	535.96
Deletions/Adjustments	-	-
As at March 31, 2024	**750.11**	**750.11**
Accumulated Depreciation		
As at April 1, 2022	**9.02**	**9.02**
For the Year	42.41	42.41
Deletions/Adjustments	-	-
As at March 31, 2023	**51.43**	**51.43**
For the Year	108.68	108.68
Deletions/Adjustments	-	-
As at March 31, 2024	**160.12**	**160.12**
Carrying Value		
As at March 31, 2023	**162.72**	**162.72**
As at March 31, 2024	**590.00**	**590.00**

The following amounts related to Right-of-use assets were recognised in the statement of profit or loss:

Particulars	March 31, 2024	March 31, 2023
Interest expense	7.69	0.77
Amortisation expense	108.68	3.01
Total	**116.37**	**3.78**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTE 4E. GOODWILL

Particualrs	March 31, 2024	March 31, 2023
Opening balance	115.80	115.80
Add/(Less): Acquisition/(Sale) of subsidiaries	185.90	-
Closing balance	**301.70**	**115.80**

1. During the FY 2019-20, the holding Company has acquired 51% of control through purchase of equity shares of Unistring Tech Solutions Private Limited. The Group has accounted for business combination based on fair value of the identified assets, liabilities and contingent liabilities as on date of acquisition and recognised goodwill of ₹ 115.80 Lakhs.

2. During the Current Finanical Year, the holding Company has acquired 51% of control through purchase of equity shares of Aituring Technologies Private Limited. The Group has accounted for business combination based on fair value of the identified assets, liabilities and contingent liabilities as on date of acquisition and recognised goodwill of ₹ 185.90 Lakhs.

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

NOTE 4F. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particualrs	Project in Progress	Total
As at April 1, 2022		
Additions during the year	-	-
Capitalisation/adjustments	-	-
As at March 31, 2023	**-**	**-**
Additions during the year	82.29	82.29
Capitalisation/adjustments	-	-
As at March 31, 2024	**82.29**	**82.29**

Ageing Schedule of Intangible assets under development

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 March 31, 2024					
- Projects in progress	82.29	-	-	-	**82.29**
- Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023					
- Projects in progress	-	-	-	-	-
- Projects temporarily suspended	-	-	-	-	-

5. INVESTMENTS (NON-CURRENT)

Particulars	March 31, 2024	March 31, 2023
Investment in Others:		
17,500 (31 Mar 2022 - 17,500) Equity shares and 2,139 (31 Mar 2022 - 2,139) Class Seed Preferred shares of Paladin AI INC.,*	224.22	224.22
Less: Provision for Impairment of Investments	(224.22)	-
	-	**224.22**

*Investment in Paladin AI Inc is measured at cost as it approximates the fair value.

6. OTHER FINANCIAL ASSETS

6A. Other financial assets (Non-current) (Unsecured, considered good)

Particulars	March 31, 2024	March 31, 2023
Security Deposits	61.64	29.02
Deposits with government, public bodies and others	14.31	14.31
Bank Deposits maturity more than 12 Months	2,280.25	4,450.43
Others	46.96	-
Advance for acquisition of Shares*	252.84	252.84
	2,656.00	**4,746.61**

*Advance for Acquisition for investments are in Paladin AI INC., which is yet to allot the Shares.

6B. Other Financial assets (Current)

Particulars	March 31, 2024	March 31, 2023
Unsecured, Considered good		
Accrued Income but not due	818.09	895.08
Interest accrued but not due on deposits	180.99	148.44
	999.08	**1,043.52**

Note: Refer Note 42 for Classification of financial instruments.

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

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

Particulars	March 31, 2024	March 31, 2023
Deferred Tax Asset		
Deferred Tax Asset on MAT credit entitlement	-	(1,886.92)
Deferred Tax Asset on Gratuity	(72.34)	(154.65)
Deferred Tax Asset on Leases	(2.75)	(0.16)
Disallowances under Income Tax Act, 1961,allowed on payment basis	-	-
Deferred Tax Liability		
Accelerated depreciation for tax purposes	719.78	644.07
On Other comprehensive income	(22.33)	(7.79)
Net Deferred tax Asset	**622.37**	**(1,405.44)**

Note: Refer Note 35 for further details.

8. OTHER NON-CURRENT ASSETS

Particulars	March 31, 2024	March 31, 2023
Prepaid expenses[#]	62.11	15.55
Capital Advances	6.13	6.13
Others[##]	65.44	51.84
	133.68	**73.53**

[#]represents amount paid in advance for the items that had not yet occurred as of the end of the financial year, including Bank Guarantee Commission, Employees Health Insurance and General Insurance expenses.

[##]represents the cost of articles owned by the group for the purpose of business promotion.

9. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	March 31, 2024	March 31, 2023
Raw material	8,252.54	1,247.79
Work-in-progress	8,636.34	3,367.00
Finished Goods	19.00	285.17
	16,907.87	**4,899.96**

Note:

- Valuation of Inventories has been made as per Company's Accounting Policy No 3J
- Cost of inventories (including cost of purchased products) recognized as expense during the year ended March 31, 2024 and March 31, 2023 amounted to ₹ 11,801.88 Lakhs and ₹ 5,863.20 Lakhs, respectively.
- For details of hypothecation of inventory, refer Note No 21(i).

10. TRADE RECEIVABLES

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Trade Receivables	18,802.49	8,585.26
Less: Allowance for Expected Credit Loss	(352.34)	(46.02)
	18,450.15	**8,539.24**

Note:

- Receivables do not include any amount due and recoverable from directors or other officers of the Holding Company, or Companies under the same management.
- Trade Receivables are Non Interest Bearing.
- For details of hypothecation of trade receivables, refer Note No 21(i).

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

10A. Ageing Schedule of Trade receivables:

As at March 31, 2024

Particulars	Outstanding for the following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	12,444.77	3,190.54	2,414.38	275.86	399.20	77.73	18,802.49
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	12,444.77	**3,190.54**	**2,414.38**	**275.86**	**399.20**	**77.73**	**18,802.49**
Less: Allowance for Expected Credit Loss							(352.34)
Total	**12,444.77**	**3,190.54**	**2,414.38**	**275.86**	**399.20**	**77.73**	**18,450.15**

As at March 31, 2023

Particulars	Outstanding for the following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	7,629.81	300.21	121.19	399.38	-	-	8,450.59
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	3.02	131.65	134.67
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	7,629.81	**300.21**	**121.19**	**399.38**	**3.02**	**131.65**	**8,585.26**
Less: Allowance for Expected Credit Loss							(46.02)
Total	**7,629.81**	**300.21**	**121.19**	**399.38**	**3.02**	**131.65**	**8,539.24**

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

11. CASH AND CASH EQUIVALENTS

Particulars	March 31, 2024	March 31, 2023
Cash on hand	9.64	11.21
Balances with banks		
- In current accounts	1,960.92	7,952.18
- In Overdraft accounts	199.26	1,415.54
- In Fixed Deposits with original maturity Less than 3 months	1,501.03	1,646.42
	3,670.85	**11,025.36**

Note:

- There is no restriction with regard to cash and cash equivalents as at the end of each reporting period and prior period.
- Refer Note 42 for Classification of financial instruments.

12. OTHER BANK BALANCES

Particulars	March 31, 2024	March 31, 2023
Balances with banks for unclaimed dividend	6.45	7.10
Fixed Deposits with original maturity More than 3 months & Less than 12 months	5,320.93	2.05
Deposits against Bank Guarantee's*	6,748.32	5,514.68
- Deposits against OD's		
Other Fixed Deposits	70.80	187.15
	12,146.50	**5,710.99**

Note:

- All Fixed deposits were kept with Scheduled banks only.
- There are no amounts due and outstanding to be credited to the Investors Education and Protection Fund as at March 31, 2024 and March 31, 2023.
- Refer Note 42 for Classification of financial instruments.

*These deposits are held as margin money against bank guarantee.

13. LOANS

Particulars	March 31, 2024	March 31, 2023
Unsecured-Considered Good		
Others	79.94	-
	79.94	**-**

14. CURRENT TAX ASSETS (NET)

Particulars	March 31, 2024	March 31, 2023
Taxes Paid	265.49	88.66
	265.49	**88.66**

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

15. OTHER CURRENT ASSETS

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good		
Prepaid Expenses	279.66	191.81
Office Rent Advance	15.53	14.72
Balance with Statutory Authorities	4,818.31	953.19
Captail Advance	34.59	-
Advance to material suppliers(Creditors)	4,148.41	700.83
Duty Credit Scripts under MEIS scheme	0.41	-
Advances to Employees	17.48	35.30
	9,314.38	**1,895.84**

16. EQUITY SHARE CAPITAL

Particulars	Equity Shares	
	No. of shares	Amount in Lakhs
(i) Authorised share capital		
As at April 1, 2022	**20,00,00,000**	**2,000.00**
Increase/(Decrease) during the year	-	-
As at March 31, 2023	**20,00,00,000**	**2,000.00**
Increase/(Decrease) during the year	-	-
As at March 31, 2024	**20,00,00,000**	**2,000.00**

Particulars	Equity Shares	
	No. of shares	Amount in Lakhs
(ii) Issued share capital		
Equity share of ₹ 1 each issued, subscribed and fully paid up		
As at April 1, 2022	**7,95,10,000**	**795.10**
Increase/(Decrease) during the year	-	-
As at March 31, 2023	**7,95,10,000**	**795.10**
Increase/(Decrease) during the year	45,34,260	45.34
As at March 31, 2024	**8,40,44,260**	**840.44**

(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.

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

Particulars	March 31, 2024		March 31, 2023	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of ₹ 1/- each fully paid up				
Ashok Atluri	2,15,46,103	25.64%	2,13,11,220	26.80%
Kishore Dutt Atluri	1,57,40,970	18.73%	1,57,56,220	19.82%

(v) For Compulsorily Convertible Debentures (CCDs) refer Note 48.

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

(vi) Shares held by promoters

As at March 31, 2024

Promoter Name	Class of Equity share	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
Ashok Atluri	Equity share of ₹ 1 each	2,13,11,220	2,34,883	2,15,46,103	25.64%	1.10%
Kishore Dutt Atluri	Equity share of ₹ 1 each	1,57,56,220	(15,250)	1,57,40,970	18.73%	(0.10%)
Tara Dutt Atluri	Equity share of ₹ 1 each	33,89,756	(15,00,000)	18,89,756	2.25%	(44.25%)
Rama Devi Atluri	Equity share of ₹ 1 each	26,70,000	-	26,70,000	3.18%	0.00%
Satish Atluri	Equity share of ₹ 1 each	11,84,000	-	11,84,000	1.41%	0.00%
Anisha Atluri	Equity share of ₹ 1 each	10,00,000	-	10,00,000	1.19%	0.00%
Arjun Dutt Atluri	Equity share of ₹ 1 each	10,00,000	-	10,00,000	1.19%	0.00%
Ravi Kumar Midathala	Equity share of ₹ 1 each	7,50,000	(2,50,000)	5,00,000	0.59%	(33.33%)
Beena Atluri	Equity share of ₹ 1 each	4,34,364	-	4,34,364	0.52%	0.00%
Nagarjunudu Kilari	Equity share of ₹ 1 each	1,50,290	-	1,50,290	0.18%	0.00%
Indira Garapati	Equity share of ₹ 1 each	1,20,000	-	1,20,000	0.14%	0.00%
Nandita Sethi	Equity share of ₹ 1 each	50,000	-	50,000	0.06%	0.00%

As at March 31, 2023

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 ₹ 1 each	2,13,11,220	-	2,13,11,220	26.80%	0.00%
Kishore Dutt Atluri	Equity share of ₹ 1 each	1,57,56,220	-	1,57,56,220	19.82%	0.00%
Tara Dutt Atluri	Equity share of ₹ 1 each	34,19,756	(30,000)	33,89,756	4.26%	(0.88%)
Rama Devi Atluri	Equity share of ₹ 1 each	26,70,000	-	26,70,000	3.36%	0.00%
Satish Atluri	Equity share of ₹ 1 each	11,84,000	-	11,84,000	1.49%	0.00%
Anisha Atluri	Equity share of ₹ 1 each	10,00,000	-	10,00,000	1.26%	0.00%
Arjun Dutt Atluri	Equity share of ₹ 1 each	10,00,000	-	10,00,000	1.26%	0.00%
Ravi Kumar Midathala	Equity share of ₹ 1 each	7,90,000	(40,000)	7,50,000	0.94%	(5.06%)
Beena Atluri	Equity share of ₹ 1 each	4,04,364	30,000	4,34,364	0.55%	7.42%
Nagarjunudu Kilari	Equity share of ₹ 1 each	1,50,290	-	1,50,290	0.19%	0.00%
Indira Garapati	Equity share of ₹ 1 each	1,20,000	-	1,20,000	0.15%	0.00%
Nandita Sethi	Equity share of ₹ 1 each	50,000	-	50,000	0.06%	0.00%

(vii) Shares Reserved for issue under options

For details of shares reserved for issue under the employee stock option ("ESOP") plan of the Company, please refer note 45.

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

17. OTHER EQUITY

Particulars	Note No.	March 31, 2024	March 31, 2023
Securities premium	17.1	11,088.60	2,654.31
Capital redemption reserve	17.2	117.24	117.24
General reserve	17.3	3,525.01	3,525.01
Retained earnings	17.4	30,236.79	17,615.13
Share Warrants	17.5	-	250.08
Other Comprehensive Income	17.6	34.14	102.88
Equity Component of Compound Financial Instruments	17.7	-	7,479.32
Share Based Payments Reserve	17.8	285.94	44.21
Treasury Shares	17.9	(1,265.34)	(966.13)
		44,022.37	**30,822.05**
Non-Controlling Interests (NCI)	17.10	1,766.36	1,410.82
		45,788.73	**32,232.87**

17.1 Securities premium

Particulars	March 31, 2024	March 31, 2023
Opening balance	2,654.31	2,654.31
Add: Additions during the year	8,434.29	-
	11,088.60	**2,654.31**

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	March 31, 2024	March 31, 2023
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	March 31, 2024	March 31, 2023
Opening balance	3,525.01	3,525.01
Add: Additions during the year	-	-
	3,525.01	**3,525.01**

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

17.4 Retained earnings

Particulars		March 31, 2024	March 31, 2023
Opening balance		17,615.13	13,421.81
Add: Net profit for the year		12,788.46	4,272.55
	(A)	**30,403.59**	**17,694.36**
Less: Dividend distributed to equity shareholders	(B)	(166.81)	(79.23)
	(A-B)	**30,236.79**	**17,615.13**

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 Share Warrants

Particulars		March 31, 2024	March 31, 2023
Opening balance		250.08	250.08
Add: Amount received on account of allotment of share warrants		750.24	
	(A)	**1,000.32**	**250.08**
Less: Allotment of equity Shares pursuant to conversion of share warrants	(B)	1,000.32	-
	(A-B)	**-**	**250.08**

During the FY 2021-22, the Company has issued share warrants and 25% of the subscription amount was received at the time of allotment of share warrants. Balance amount (75%) will be received pursuant to duly conversion of share warrants into equity shares.

17.6 Other Comprehensive Income

Particulars	March 31, 2024	March 31, 2023
Actuarial Gain or Loss		
Opening balance	35.16	55.38
Add: Additions during the year	(29.22)	(20.23)
Closing Balance	**5.94**	**35.16**
Foreign Currency Translation Reserve		
Opening balance	67.72	3.46
Add: Additions during the year	(39.52)	64.26
Closing Balance	**28.20**	**67.72**
	34.14	**102.88**

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

17.7 Equity Component of Compound Financial Instruments

Particulars		March 31, 2024	March 31, 2023
Opening balance		7,479.32	7,479.32
Add: Equity component of Compulsorily Convertible Debentures (CCD) issued		-	-
	(A)	**7,479.32**	**7,479.32**
Less: Allotment of equity Shares pursuant to conversion of CCD's	(B)	7,479.32	-
	(A-B)	**-**	**7,479.32**

Refer Note 48 for further details.

17.8 Share Based Payments Reserve

Particulars	March 31, 2024	March 31, 2023
Opening balance	44.21	-
Add: Share based payment charge on account of options granted during the year	437.69	44.21
	481.90	**44.21**
Less: Exercise of Share Options	195.96	-
	285.94	**44.21**

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

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

17.9 Treasury Shares

Particulars	March 31, 2024	March 31, 2023
Opening balance	(966.13)	-
Add: Amount on account of purchase of treasury shares	(477.09)	(966.13)
	(1,443.22)	**(966.13)**
Less: Issue of Treasury Shares	(177.87)	-
	(1,265.34)	**(966.13)**

Treasury Shares: The reserve for shares of the parent Company held by the Zen Technologies Limited Employees Welfare Trust (ESOP Trust). The parent Company has issued employees stock option scheme for its employees. The shares of the parent Company have been purchased and held by ESOP Trust to issue and allot to employees at the time of exercise of ESOP by Employees.

17.10 Non-Controlling interests (NCI)

Particulars	March 31, 2024	March 31, 2023
Opening balance	1,410.82	687.81
Add: Additions to Busniess Combination (Refer Note:51)	193.56	-
Add: Net profit/(loss) attributable to NCI	161.98	723.00
	1,766.36	**1,410.82**

It represents the difference between the consideration paid and the carrying value of non-controlling interest acquired in subsidiaries.

- Refer Note 51 for additions to Business Combination.

18. BORROWINGS (NON-CURRENT)

Particulars	March 31, 2024	March 31, 2023
Secured (at amortized cost)		
Vehicle loans from banks		
(a) Yes Bank	-	-
Unsecured (at amortized cost)		
(b) Compulsory Convertible Debentures (CCDs)	-	-
(c) Others	-	-

Details of borrowings:

(i) Borrowings mentioned in (a) are secured by the hypothecation of respective vehicles for which loans are availed.

(ii) Borrowings mentioned in (b) is the financial liability component of CCDs issued during the year which is carried at interest rate of 8.50% p.a.

19.1 LEASE LIABILITIES

Particulars	March 31, 2024	March 31, 2023
Non-Current		
At amortised cost		
Lease Liability	413.53	43.38
	413.53	**43.38**
Current		
At amortised cost		
Lease Liability	128.35	42.57
	128.35	**42.57**

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

Particulars	March 31, 2024	March 31, 2023
Deferred Govt. Grant (IDEX SPARK Grant)	15.00	-
	15.00	**-**

19.2 OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2024	March 31, 2023
Unclaimed dividends	6.45	7.10
Provision for expenses	695.80	520.25
Salaries and benefits	354.78	227.65
Bonus and incentives	136.45	102.53
Other payables	839.91	152.38
	2,033.39	**1,009.91**

Note: Refer Note 42 for classification of financial instruments.

20. PROVISIONS

Particulars	March 31, 2024	March 31, 2023
Non-Current		
- Provision for gratuity	379.53	282.96
	379.53	**282.96**
Current		
- Provision for Income Tax	141.40	599.71
- Other Provisions	6.76	6.18
- Provision for QPA & Bonus	131.36	154.84
	279.53	**760.73**

21. BORROWINGS (CURRENT)

Particulars	March 31, 2024	March 31, 2023
Secured		
(a) CC account forming part of Cash and Cash equivalents	-	-
(b) OD account forming part of Cash and Cash equivalents	-	157.08
(c) Current maturities of vehicle loans	-	3.09
Unsecured		
(d) Credit card	53.57	5.05
(e) Compulsory Convertible Debentures (CCDs)	-	424.25
(f) Loans from Related Parties	7.93	-
(g) Others	-	-
	61.50	**589.47**

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

Details of borrowings:

(i) Cash Credit (CC) mentioned in (a) amounting to ` Nil (March 31, 2023: ` Nil) and Over draft (OD) mentioned in (b) amounting to ` Nil Lakhs (March 31, 2023: ` 157.08 obtained from Indian Bank (` 26.24 Lakhs) and from HDFC Bank (` 130.84Lakhs)) are secured by way of:

Details of Securities of holding Company (Zen Technnologies Limited)

Primary Security: Inventories, Other Current Assets and Trade Receivables

Collateral Security:

HDFC Bank

- Signature Building, 11 Kothaguda Village and 12 floor of Signature building of 25000 Sq Ft, SY No:6 Kondapur, Kothaguda - 500084.
- Delhi 1, Apartment NH 24 adjacent to Alshardham No. T-27-06-04, Fifth floor of 1969 Sq Ft, Common Wealth Games, Village - 110092.
- Delhi 2, Apartment NH 24 adjacent to Alshardham No. T-27-01-03, Ground floor of 2654.3 Sq Ft, Common Wealth Games, Village - 110092.
- Delhi 3, Apartment NH 24 adjacent to Alshardham No. T-20-07-04, Sixth floor of 1969.52 Sq Ft, Common Wealth Games, Village - 110092.
- Delhi 4, Apartment NH 24 adjacent to Alshardham No. T-20-01-02, Ground floor of 2654.32 Sq Ft, Common Wealth Games, Village - 110092.

Indian Bank

- Corporate Office/Building Admeasuring 2540 Sq Ft, Located at B-42, Industrial Estate, Sanath nagar, Hyderabad-500018.

EXIM Bank

- Industrial Plot of Land Admeasuring 2034.10 Sq Meters located at Plot No 99/2, IDA Cherlapally, Cherlapally village, Kapra Mandal, Medchal, Telangana.

ICICI Bank

- Plot No: 35,36,37 Hardware Park, Maheshwaram Mandal, Raviyala Village, Hyderabad - 501510.

AXIS Bank

- First Pari Passu charge on entire Current Assets of the Company, both Present and Future and the First Pari Passu charge on Collateral Property shared along with ICICI.

Details of Securities of Subsidiary Company (Unistring Tech Solutions Private Limited)

- The working capital facilities (₹ 75,00,000) from City Union Bank are secures equitable mortgage of immovable properties and other fixed assets. The above Overdraft facility is secured inter - alia by suitable charge on 02 Properties locatedMunicipal No.35-6-2 (G.P.No.6-2) (Constructed in Sy No.70 of (V) Gopalpur) located at Gpolapur, Hanamakonda, Warrangal & new door no. 21-93, old no. 18-115, at Survey no. 24/9, Muppavarapu Vari Street, Bhaghath Singh Nagar, Main Road, Yanamalakuduru, Vijayawada, Krishna District which are offered as collateral securities.

Other Details:

The Avg. Rate of Interest of CC is 9.73% p.a of and Cash credit is the sub-limit of ₹ 3,000 Lakhs of total limits of ₹ 25,600 Lakhs which consists of Bank Guarantee, Letter of Credit, Pre and Post Shipment Credit, PSR and Corporate Card Limits.

(ii) Overdraft (OD) mentioned in (b) amounting to ` Nil (March 31, 2023: ` Nil) obtained from City Union Bank by Unistring Tech Solutions Private Limited is secured by way of:

The working capital facilities from City Union Bank are secures equitable mortgage of immovable properties and other fixed assets.

Collateral Security:

- Municipal No. 35-6-2 (G.P.No.6-2) constructed in Sy No.70 of (V) Gopalpur located at Gopalpur, Hanamakonda, Warangal.
- New Door No.21-93, Old No. 18-115, at Sy No. 24/9, Muppavarapu Vari Street, Bhagath Singh Nagar, Main Road, Yanamalakuduru, Vijayawada, Krishna District.

(ii) Borrowings mentioned in (c) are secured by the hypothecation of respective vehicles for which loans are availed.

(ii) Borrowings mentioned in (e) is the financial liability component of CCDs issued during the previous year which is carried at interest rate of 8.50% p.a.For further Details refer Note 48.

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

22. TRADE PAYABLES

Particulars	March 31, 2024	March 31, 2023
Trade payables		
- Dues to Micro and Small Enterprises	2,102.42	74.03
- Dues to creditors other than micro and small enterprises	1,107.70	599.41
	3,210.12	**673.44**

Note: Trade payable are non interest bearing and normally settled in 30 - 45 days

22A. Ageing Schedule of Trade Payables:

As at March 31, 2024

Particulars	Not Due	Outstanding for the following periods from the due date of payment				Total
		<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,102.42	-	-	-	2,102.42
(ii) Others	-	1,083.51	23.29	0.62	0.28	1,107.70
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	**3,185.93**	**23.29**	**0.62**	**0.28**	**3,210.12**

As at March 31, 2023

Particulars	Not Due	Outstanding for the following periods from the due date of payment				Total
		<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	52.19	2.36	0.05	0.40	19.04	74.03
(ii) Others	176.34	375.34	13.27	1.33	33.13	599.41
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	228.53	**377.71**	**13.32**	**1.73**	**52.17**	**673.44**

23. OTHER CURRENT LIABILITIES

Particulars	March 31, 2024	March 31, 2023
Income billed but not due	325.41	3.48
Taxes payable	2,916.21	815.03
Advance from customers	17,058.43	9,858.35
Audit Fee Payable	-	1.75
Other payables	279.29	260.49
	20,579.34	**10,939.10**

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

24. CURRENT TAX LIABILITIES (NET)

Particulars	March 31, 2024	March 31, 2023
Provision for Income Tax	698.43	-
	698.43	**-**

25. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Revenue from sale of products	40,664.31	18,294.77
(b) Revenue from rendering of services	3,320.89	3,589.85
	43,985.20	**21,884.62**

Contract balances:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Receivables		
Trade Receivables (gross) (refer note 10)	18,802.49	8,585.26
Less: Allowances for Doubtful debts	(352.34)	(46.02)
Net Receivables	**18,450.15**	**8,539.24**
(b) Contract Liabilities		
Advances received from customers (refer note 23)	17,058.43	9,858.35
Income billed but not due (refer note 23)	325.41	3.48
	17,383.84	**9,861.83**
(c) Contract Assets		
Unbilled revenue for other than passage of time (refer note 6B)	818.09	895.08
	818.09	**895.08**

26. OTHER INCOME

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	1,085.33	631.65
Foreign exchange fluctuation gain (net)	58.25	22.08
Interest on Income Tax Refund	0.00	10.59
Profit on sale of Property, Plant and Equipment	-	0.93
Miscellaneous income	348.67	59.49
	1,492.26	**724.74**

Note: Foreign Exchange fluctuation gain (net) - The Foreign Exchange Gain/Loss is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement/reporting date.

27. COST OF MATERIALS AND COMPONENTS CONSUMED

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock of raw materials	1,247.79	600.70
Add: Purchases	23,752.12	8,268.04
	24,999.91	**8,868.74**
Less: Closing stock of raw materials	(7,825.23)	(1,015.69)
	17,174.68	**7,853.05**

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

28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening work-in-progress	3,620.17	5,203.03
Closing work-in-progress	8,992.97	7,192.88
Net (increase)/decrease in stock	**(5,372.80)**	**(1,989.86)**

29. MANUFACTURING EXPENSES

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and Fuel	36.08	29.95
Spares and Stores	45.41	47.74
Material Handling Charges	9.37	13.82
Travel expenses - Production	8.12	12.52
System Installation & Maintenance	-	-
Factory Maintenance	559.11	355.90
Training Charges	0.43	3.71
Factory Wages	408.17	296.70
	1,066.69	**760.34**

30. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	5,078.27	3,289.95
Contribution to provident and other funds	112.06	87.41
Salary arrears	22.59	12.33
Director sitting fee	10.50	12.00
Gratuity expense (Refer Note-38(b))	85.25	65.02
Share based Payment Expenses	437.69	44.21
Staff welfare expenses	160.82	93.21
	5,907.18	**3,604.13**

Note: Refer Note 39 for Remuneration to key Managerial Personnel.

31. FINANCE COSTS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bank Charges	34.33	33.11
BG Commission	118.58	88.20
Processing Charges	29.32	18.19
Interest on borrowings		
- interest on cash credit account	0.05	1.56
- interest on vehicle loan	0.07	0.68
- interest on Lease Liability	7.69	-
- interest on MSME	0.19	-
- interest others	37.90	265.82
	228.13	**407.55**

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

32. DEPRECIATION AND AMORTISATION

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property plant & equipment	779.31	493.65
Amortisation of Intangible Assets	79.96	69.60
Depreciation on Right-of-use assets	108.68	42.41
	967.96	**605.65**

33. OTHER EXPENSES

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Business Promotion	144.40	245.03
Exhibition expenses	217.70	259.81
Commission on Sales	1,234.92	464.38
System Installation & Maintenance	127.61	93.55
Freight	167.26	82.51
Domestic Travel	438.71	428.07
Foreign Travel	332.91	245.86
Advertisement	140.09	117.12
Conveyance	113.97	105.94
Consumables	33.93	22.42
Repairs and maintenance	1.67	-
Corporate Social Responsibility Expense	55.85	44.79
Electricity Charges	82.60	60.76
Insurance	55.40	42.12
Membership & Subscription	1.45	0.11
Office Maintenance	328.73	205.03
Postage & Telephone	40.24	44.70
Printing & Stationary	28.09	18.56
Professional Charges	1,078.26	661.58
Rates & Taxes	71.70	77.61
Rent	182.61	187.90
Security expenses	58.70	53.76
Vehicle Maintenance	34.33	35.22
Computer Maintenance	2.22	20.86
License and software	15.19	-
Spares & Stores	733.29	663.64
Provision for Impairment	224.22	-
Provision for Expected Credit loss	363.21	42.10
Advances written off	115.50	-
Payment to Auditor	8.85	5.65
Provision for Advances	23.47	-
Provision for Warranties	206.14	-
Telephone and Internet Expenses	1.31	1.11
Testing Charges	41.52	0.08
Miscellaneous expenses	425.09	165.54
	7,131.14	**4,395.82**

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

34. COMPONENTS OF OTHER COMPREHENSIVE INCOME

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Items that will be reclassified to profit or loss		
Exchange differences on translation of foreign operations	118.47	63.84
Deferred tax on exchange differences	(34.50)	(3.10)
	83.97	**60.74**
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit plans	(41.37)	(28.02)
Deferred tax on remeasured gain/(loss)	12.15	7.80
	(29.22)	**(20.23)**

35. INCOME TAX

The major components of income tax expenses for the year ended March 31, 2024 and March 31, 2023 are as follows:

Profit or loss section

Particulars	March 31, 2024	March 31, 2023
Current tax expense	3,664.93	1,548.71
Adjustment of tax relating to earlier periods	(44.68)	-
MAT credit utilisation	(1,886.92)	609.50
Deferred tax	3,931.61	17.64
Total income tax expense recognised in Statement of Profit and Loss	**5,664.95**	**2,175.84**

OCI section

Particulars	March 31, 2024	March 31, 2023
Tax Effect on OCI items	(22.35)	4.70
Income tax charged to OCI	**(22.35)**	**4.70**

a) Reconciliation of tax expense to the accounting profit is as follows:

Particulars	March 31, 2024	March 31, 2023
Profit before tax	18,615.39	7,172.66
At India's statutory income tax rate of 29.12%	5,420.80	2,088.68
Adjustments in respect of current income tax of previous years	-	-
Add/(Less): Tax effect on account of:		
Items which are not tax deductible for computing taxable income	59.08	47.34
Effect of change in income tax rate for deferred tax recognised	38.74	68.33
Effect of items which are not taxable for computing taxable income	50.95	(58.24)
Others	95.38	29.74
Income tax expense recognised in the Statement of Profit and Loss	**5,664.95**	**2,175.84**

Deferred tax

Particulars	March 31, 2024	March 31, 2023
Deferred tax asset/(liability) (net)	622.37	(481.48)
MAT credit entitlement	-	1,886.92
Deferred tax asset (net)	**622.37**	**1,405.44**

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

(b) Deferred tax (liabilities)/assets (net) as at March 31, 2024, as detailed below reflect the quantum of tax liabilities/ (assets) accrued up to March 31, 2024

2023-24

Particulars	Opening balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	MAT Credit availed/ (utilization)	Closing balance
Deferred tax (liabilities)/assets in relation to:					
MAT credit	1,886.92	-	-	(1,886.92)	-
Timing difference on					
- Property, plant and equipment	(645.50)	(75.71)	-	-	(721.20)
- Disallowances under Income Tax Act, 1961, allowed on payment basis	155.04	(79.72)	-	-	75.31
- Remeasurement of defined benefit plans	7.47	-	(4.36)	-	3.12
- Exchange difference on translation of foreign operation	-	-	31.40	-	31.40
- Others	4.61	(15.60)	-	-	(10.99)
Deferred tax (liabilities)/assets (Net)	**1,408.54**	**(171.03)**	**27.04**	**(1,886.92)**	**(622.37)**

(c) Deferred tax (liabilities)/assets (net) as at March 31, 2023, as detailed below reflect the quantum of tax liabilities/ (assets) accrued up to March 31, 2023

2022-23

Particulars	Opening balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	MAT Credit availed/ (utilization)	Closing balance
Deferred tax (liabilities)/assets in relation to:					
MAT credit	2,496.42	-	-	(609.50)	1,886.92
Timing difference on					
- Property, plant and equipment	(553.61)	(91.88)	-	-	(645.50)
- Disallowances under Income Tax Act, 1961, allowed on payment basis	78.45	76.59	-	-	155.04
- Remeasurement of defined benefit plans	(0.32)	-	7.80	-	7.47
- Exchange difference on translation of foreign operation	-	-	(3.10)	-	(3.10)
- Others	0.16	4.45	-	-	4.61
Deferred tax (liabilities)/assets (Net)	**2,021.09**	**(10.85)**	**4.70**	**(609.50)**	**1,405.44**

36. EARNINGS PER SHARE

Basic EPS amounts are 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/(loss) attributable to equity holders (after adjusting for interest on the Compulsory convertible debentures) by the weighted average number of equity shares outstanding during the period/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	For the year ended March 31, 2024	For the year ended March 31, 2023
Earnings per equity share		
Profit attributable to equity shareholders of the holding Company	12,788.46	4,273.81
Add: Interest on Compulsory Convertible Debentures (CCD)	3.59	54.65
Adjusted earnings	**12,792.05**	**4,328.46**
Weighted average number of equity shares outstanding (Nos.) of Face Value of ₹ 1/-each	**7,95,10,000**	**7,95,10,000**
Add: Post converion of CCD's on allotment of ordinary shares (Nos. 40,64,627) of face value of ₹ 1/- each	34,76,033	-

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

36. EARNINGS PER SHARE (Contd.)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Add: Conversion of share warrants on allotment of ordinary shares (Nos. 4,69,633) of face value of ₹ 1/- each	4,01,626	-
Less: Weighted average number of equity shares held by ESOP trust (Nos.) of Face value of ₹ 1/-each*	(6,05,788)	(2,61,366)
Weighted average number of equity shares for Basic EPS (Nos.)	**8,27,81,872**	**7,92,48,634**
Effect of dilutive equivalent Compulsorily convertible debentures	5,88,594	40,64,627
Weighted average number of equity shares for dilutive EPS (Nos.)	**8,33,70,465**	**8,33,13,261**
Face value per equity share (₹)	1.00	1.00
Earning per share - Basic (₹)	**15.45**	**5.39**
Earning per share - Diluted (₹)#	**15.34**	**5.20**

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

(a) Defined contribution plan

The following amount recognised as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	March 31, 2024	March 31, 2023
Contribution to provident fund recognised as expense in the Statement of Profit and Loss	112.06	87.41

(b) Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on retirement at 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following table's summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Particulars	March 31, 2024	March 31, 2023
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	69.10	53.80
Past service cost	-	-
Interest cost on defined benefit obligation	25.60	19.03
Interest income on plan assets	(9.46)	(7.82)
Other adjustments	-	-
Net benefit expense	**85.25**	**65.01**
Re measurement during the period/year due to		
Actuarial loss/(gain) arising from change in financial assumptions	(58.60)	(8.73)
Actuarial loss/(gain) arising from change in demographic assumptions	7.04	(1.55)
Actuarial loss/(gain) arising on account of experience changes	92.56	37.85
Return on plan assets excluding interest income	0.38	0.45
Amount recognised in OCI outside profit and loss statement	**41.38**	**28.02**
Balance Sheet		
Reconciliation of net liability/asset		
Closing Present Value of Defined Benefit Obligation	536.15	405.62
Closing Fair Value of Plan Assets	(151.40)	122.65
Closing net defined benefit liability	**687.56**	**282.96**

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

(b) Defined benefit plan (Contd.)

Particulars	March 31, 2024	March 31, 2023
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	282.96	205.02
Current service cost	69.10	53.80
Past service cost	-	-
Interest cost	16.14	11.21
Adjustment to opening balance	-	-
Re measurement during the period due to		
Actuarial loss/(gain) arising from change in financial assumptions	(58.60)	(8.73)
Actuarial loss/(gain) arising from change in demographic assumptions	7.04	(1.55)
Actuarial loss/(gain) arising on account of experience changes	92.56	37.85
Return on plan assets excluding interest income	0.38	0.45
Benefits paid	(24.84)	(15.10)
Closing defined benefit obligation	**384.75**	**282.96**
Change in fair value of plan assets during the year		
Opening Fair Value of Plan Assets	122.65	121.89
Adjustment to opening balance	-	-
Contributions paid by the employer	24.84	15.10
Return plan assets (Excluding interest income)	(0.38)	(0.45)
Benefits paid	(5.17)	(21.71)
Interest income on Plan Assets	9.46	7.82
Closing Fair Value of Plan Assets	**151.40**	**122.65**

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

Particulars	March 31, 2024	March 31, 2023
Discount rate (p.a.)	6.97%	7.14%
Salary escalation rate (p.a.)	6.00%	6.00%
Mortality rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Disability rate	0.00%	0.00%
Withdrawal rate (Past service (PS))	PS:0 to 42 : 15%	PS:0 to 42 : 15%
Normal retirement age (in years)	60	60
Adjusted average future service	5.22	5.14

A quantitative analysis for significant assumptions is as shown below:

Particulars	March 31, 2024	March 31, 2023
Assumptions - Discount rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	437.89	337.67
Impact of Decrease in 1% on defined benefit obligation	477.15	366.90
Assumptions - Salary Escalation rate		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 1% on defined benefit obligation	472.31	363.54
Impact of Decrease in 1% on defined benefit obligation	441.54	340.14

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

Asset Liability Comparisons

Year	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
PVO at the end of the period	252.00	270.39	304.27	351.58	456.57
Plan Assets	95.23	104.36	121.89	122.65	151.40
Surplus/(Deficit)	(156.77)	(166.03)	(182.38)	(228.92)	(305.17)
Experience adjustment on plan assets	16.48	1.63	1.39	-	(0.38)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. Such as supply and demand in the employment market.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	March 31, 2024	March 31, 2023
Expected future benefit payments		
Within the next 12 months (next annual reporting period)	122.42	81.81
Between 2 and 5 years	245.14	132.91
Between 6 and 10 years	200.88	113.50
Total expected payments	**568.44**	**328.22**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period (based on discounted cash flows 4.26 years. (March 31, 2023:4.17 years).

38. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

I) Claims against the Group not acknowledged as debts:

i) On account of Direct Tax matters - ₹ 441.48 Lakhs (March 31, 2023: ₹ 441.48 Lakhs)

ii) On account of Indirect Tax matters - Central Excise Duty - ₹ 823.40 Lakhs (March 31, 2023: ₹ 823.40 Lakhs)

The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process with respect to Direct Tax and Indirect tax matters. No tax expense has been accrued in the financial statements for the tax demand raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

II) Guarantees

Particulars	March 31, 2024	March 31, 2023
Corporate Guarantee issued in favour of customer(s) of		
Unistring Tech Solutions Private Limited	-	1,012.44

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

At March 31, 2024, the Company has commitments of ₹ 412.96 Lakhs relating to construction of new factory building at Maheswaram (March 31, 2023: ₹ 36.32 Lakhs relating to renovation of factory buildings at Maheswaram).

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

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
Ms. Shilpa Choudari	Whole-Time Director
Dr. Ravindra Kumar Tyagi	Independent Director
Mr. Amreek Singh Sandhu	Independent Director (Till February 2, 2024)
Ms. Sirisha Chintapalli	Independent Director
Dr. Ajay Kumar Singh	Independent Director
Mr. Sanjay V Jesrani	Independent Director (w.e.f January 27, 2024)
Mr. Raghavendra Prasad Movva	Company Secretary & Compliance Officer
Mr. Afzal Harunbhai Malkani	Chief Financial Officer
Mr. Komal Bhangale	Whole-Time Director - Aituring Technologies Limited
Mr. Tushar Hindlekar	Whole-Time Director - Aituring Technologies Limited
Mr. Srinivasa Raju Kolahalam	CEO & Director - Unistring Tech Solutions Private Limited
Mr. S Nagendra Babu	Managing Director - Unistring Tech Solutions Private Limited
Dr. Ajay Kumar Singh	Director - Unistring Tech Solutions Pvt.Ltd
(b) 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 (w.e.f January 27, 2024)
(c) Other related firms & associates	
Veer Sammaan Foundation	Founder Trustee
Zen Technologies Limited Employee Welfare Trust	Entity under the control of the Company
(d) Entities controlled by persons having control/significant influence over Company	
Indigenous Defence Equipment Exporters Association	Entity accustomed to act in accordance with the advice, directions or instructions of a Director.

B) Following are the transactions with related parties during the year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Remuneration to KMP		
Mr. Ashok Atluri	236.30	61.22
Mr. Kishore Dutt Atluri	200.19	69.24
Mr. M Ravi Kumar	74.47	69.79
Ms. Shilpa Choudari	39.50	24.39
Mr. Raghavendra Prasad Movva-CS	18.18	-
Mr. Afzal Harunbhai Malkani-CFO	64.78	66.52
Mr. Komal Bhangale	4.50	-
Mr. Tushar Hindlekar	4.50	-
Mr. Srinivasa Raju Kolahalam	111.89	88.11
Mr. S Nagendra Babu	112.13	66.85

(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 March 31, 2024	For the year ended March 31, 2023
v) Commission to KMP		
Mr. Ashok Atluri	553.24	115.36
Mr. Kishore Dutt Atluri	430.28	161.44
vi) Remuneration to relatives of KMP		
Mr. Arjun Dutt Atluri	23.98	22.78
Ms. Anisha Atluri	13.28	11.33
Ms. Abhilasha Atluri	2.12	0
vii) Sitting Fee to Independent Directors		
Ms. Sirisha Chintapalli	1.50	3.00
Mr. Sanjay V Jesrani	1.00	-
Mr. Amreek Singh Sandhu	4.00	4.50
Dr. Ravindra Kumar Tyagi	4.00	4.50
Dr. Ajay Kumar Singh	-	-
viii) Rent		
Mrs. Ramadevi Atluri	7.04	6.70
ix) CSR Expenditure		
Veer Sammaan Foundation	40.50	44.79
x) Corporate Guarantee		
Corporate Guarantee issued infavour of customer(s) of Unistring Tech Solutions Private Limited (Guarantee Given by the Company's Bankers)	90.23	-

C) Balances with the related parties are summarised below:

Particulars	March 31, 2024	March 31, 2023
i) Related party receivables grouped under		
a) Other current assets		
Mr. Arjun Dutt Atluri (Advances to Employees)	2.15	-
Ms. Anisha Atluri (Advances to Employees)	0.04	-
b) Other Current Liabilities		
Mr. Ashok Atluri	570.74	119.56
Mr. Kishore Dutt Atluri	447.78	165.64
Mr. M Ravi Kumar	6.05	6.05
Ms. Shilpa Choudari	4.92	2.00
Mr. Raghavenda Prasad Movva	1.68	-
Mr. Afzal Harunbhai Malkani	4.98	8.32
Mr. Arjun Dutt Atluri	2.18	1.98
Ms. Anisha Atluri	1.48	0.98
Ms. Abhilasha Atluri	0.98	-
Mr. Srinivasa Raju Kolahalam (Salary Payable)	33.47	-
Mr. S Nagendra Babu (Salary Payable)	32.68	-
ii) Corporate Guarantee		
Corporate Guarantee issued infavour of customer(s) of Unistring Tech Solutions Private Limited (Guarantee Given by the Company's Bankers)	-	1,012.44

Key managerial personnel of the Company is covered by the Company's gratuity policy and is 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.

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

The transactions with related parties are made on terms equivalent to those that prevail in 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.

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, 2024 AND MARCH 31, 2023 IS AS UNDER

Particulars		March 31, 2024	March 31, 2023
a)	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	2,102.42	74.03
b)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.19	-
c)	The amount of Interest paid, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
d)	The amount of Interest due and payable for the year	-	-
e)	The amount of interest accrued and remaining unpaid at the end of the accounting year	0.19	-
f)	The amount of Further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note: The list of undertakings covered under MSMED Act was determined by the Group on the basis of information available with the Group.

41. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 108 "OPERATING SEGMENTS"

Operating Segments

The Group's operations predominantly consist of Military Training & Operations. The Group's Chief Operating Decision Maker (CODM) review the operations of the Group as a single reportable segment and operations from other than Training & Simulation does not qualify as a reportable segment as these operations are not material. Hence there are no reportable segments under Ind AS 108. Accordingly, the Group has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

Geographical Information

Revenue	For the year ended March 31, 2024	For the year ended March 31, 2023
Domestic	35,973.66	16,201.74
Overseas	8,011.54	5,682.88
Total revenue per statement of profit or loss	**43,985.20**	**21,884.62**

The revenue information above is based on the locations of the customers.

Non-current operating assets

Particulars	March 31, 2024	March 31, 2023
India	133.68	73.53
Outside India	-	-
Total non-current operating assets	**133.68**	**73.53**

Non-current assets for this purpose excludes financial assets and deferred tax assets.

Information about major customers

During FY 2023-24, total revenue consists of 61.51% from single customer.

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

42. FINANCIAL INSTRUMENTS

A. 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.	March 31, 2024		March 31, 2023		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial assets						
Trade receivables	10	18,450.15	-	8,539.24	-	-
Cash and cash equivalents	11	3,670.85	-	11,025.36	-	-
Other bank balances	12	12,146.50	-	5,710.99	-	-
Loans	13	79.94	-	-	-	-
Other financial assets (Current)	6B	999.08	-	5,493.96	-	-
Other financial assets (Non-current)	6A	2,656.00	-	296.17	-	-
Total financial assets		**38,002.53**	**-**	**31,065.71**	**-**	**-**
Financial liabilities						
Borrowings	18 & 21	61.50	-	589.47	-	-
Lease liabilities	19.1	541.88	-	85.95	-	-
Trade payables	22	3,210.12	-	673.44	-	-
Other financial liabilities	19.2	2,033.39	-	1,009.91	-	-
Total financial liabilities		**5,846.89**	**-**	**2,358.77**	**-**	**-**

The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

B. Measurement of fair values

i. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in the current year and no transfers in either direction in previous year.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors of the holding Group has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the group is exposed to the Credit risk and Liquidity risk.

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of interest rate risk. Financial instruments affected by market risk include loans, borrowings and deposits.

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 debt obligations with floating interest rates.

The group is having current borrowings in the form of working capital, Compulsory Convertible Debentures (CCDs) and current maturities of vehicle loan. There is a fixed rate of interest in case of vehicle loan, Compulsory Convertible Debentures (CCDs) hence, there is no interest rate risk associated with these borrowings. The group is exposed to interest rate risk associated with working capital facility and credit card facility due to floating rate of interest.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear. The method used for deriving sensitivity information and significant variables have not changed from the previous period.

As at March 31, 2024 and March 31,2023, Current borrowings (Working capital facility, Credit card facility) of ₹ 53.57 Lakhs and ₹ 162.13 Lakhs, respectively, were subject to variable interest rates.

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

Change in Interest Rate

Particulars	Impact on Profit Before Tax	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Increase in 100 basis points	(0.54)	(1.62)
Decrease in 100 basis points	0.54	1.62

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure 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). Considering the countries and economic environment in which the group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

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 business. 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 March 31, 2024	For the year ended March 31, 2023
Raw Materials and Components	4,258.55	2,417.25
Capital Goods	85.54	-
Stores and Spares	-	1.59
Foreign Travel (Exclusive of Tickets Purchased)	332.93	278.91
Membership	-	1.05
Professional Charges	10.89	1.28
Exhibition Expenses	145.32	18.17
Employee benefits expense	-	219.46
Others	34.88	694.72

Receivables/(Payables) in Foreign Currency

Particulars	March 31, 2024	March 31, 2023
Advance from customers	(10,252.94)	5,979.14
Trade payables	(272.40)	115.37
Trade Receivables	754.82	3,208.67
Advance to Material suppliers	89.08	257.51

Exchange gain of ₹ 58.25 Lakhs and ₹ 22.08 Lakhs has been recognised in the consolidated statement of profit and loss for the years ended March 31, 2024 and March 31, 2023 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

The credit risk of the group is managed at a corporate level by the risk management committee which has established the credit policy norms for its customers. The group expects to continue to derive most of its revenue from the Indian Defence Services under the contracts of the Ministry of Defence (MoD),consequent to which the Company has a negligible credit risk associated with such receivables.

Provision for Credit Impaired Receivables

As the debtors are predominantly the Government of India (Indian Defence Services, Ministry of Home Affairs), Public Sector Undertakings where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is 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, 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

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

credit risk associated with such payments. Impairment losses on financial assets have been made after factoring contractual terms and other indicators.

Financial instruments and cash deposits

The cash and cash equivalent with banks are in the form of short term deposits with maturity period of up to 1 year. The group has a well structured Risk Mitigation Policy whereby there are present limits for each bank based on its net worth and earning capacity which is reviewed on a periodic basis. The group has not incurred any losses on account of default from banks on deposits.

The credit risk in respect of other financial assets is negligible as they are mostly due from government department/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.

iii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

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 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 and cost-effective manner.

The table below analyses derivative and non-derivative financial liabilities of the group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Carrying Value	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
As at March 31, 2024						
Borrowings	61.50		61.50			-
Other financial liabilities	2,575.27	6.45	1,890.49	136.45	541.88	
Trade payables	3,210.12		3,210.12			-
As at March 31, 2023						
Borrowings	589.47	-	589.47	-	-	-
Other financial liabilities	1,095.86	7.10	900.28	102.53	85.95	
Trade payables	673.44	-	673.44	-	-	-

At present, the group does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows

44. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, non-controlling interest and all other equity reserves attributable to the equity shareholders of the holding Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Particulars	March 31, 2024	March 31, 2023
Gearing ratio		
Borrowings (non-current and current, including current maturities of non-current borrowings, interest accrued and due, Interest accrued but not due)	61.50	589.47
Less: Cash and cash equivalents (including balances at bank other than cash and cash equivalents and margin money deposits with banks)	(18,097.60)	(4,450.43)
Net debt (A)	**(18,036.10)**	**(3,860.96)**
Equity (B)	46,629.17	33,027.97
Gearing ratio (%) {A/(A+B)}*	-	-

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

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.

*As at March 31, 2024 and March 31, 2023, Gearing Ratio is negative on hence represented as Nil.

45. EMPLOYEE STOCK OPTION SCHEME

a) 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 28 August 2021, Zen Technologies Limited introduced the Employee Stock Option Plan-2021, which was subsequently ratified by the shareholders on September 29, 2022, in accordance with SEBI Regulations. The plan received in-principle approval from the National Stock Exchange of India Limited and BSE Limited to issue a maximum of 4,000,000 equity shares with a face value of ₹ 1/- each, under the Zen Technologies Limited Employee Stock Option Plan-2021

To facilitate the implementation of the ESOP scheme, the ESOS trust borrowed funds of ₹ 10 Crores from the parent, as approved by the Board of Directors on 30 October 2021. The trust utilized these funds to purchase 4,81,524 shares from the secondary market, with a total consideration of ₹ 966.13 Lakhs, for allocation to eligible employees under the ESOS scheme. And trust further borrowed as of March 31, 2023, these shares were acquired. During the year, ESOS trust borrowed funds of ₹ 5.75 Crores and utilised such funds to Purchase 1,59,876 shares from secondary Market with total consideration of ₹ 601.53 Lakhs.

During the Nomination and Remuneration Committee meeting on October 28, 2023, it was decided, in compliance with the Zen Technologies Limited Employee Stock Option Plan-2021 and relevant laws and regulations, to grant 22,500 Employee Stock Options (ESOPs) to eligible employees as identified and determined by the committee. The exercise price for these options is set at ₹ 100/- (Rupees Hundred Only) per option.

In the standalone financial statements of the Parent, the Parent had adopted the policy of consolidating the ESOP Trust, the related loan and advances appearing in the standalone financial statements of the Parent were eliminated and investment in own shares the Company held by the trust is shown as treasury shares in "other equity".

As at March 31, 2024, the ESOP Trust purchased 6,41,400 shares from secondary market for an aggregate consideration of ₹ 1567.66 Lakhs.

During the year, Trust has repaid amount of ₹ 127.6 Lakhs from the proceeds realised on exercise of options.

b) The nature and extent of share-based payment arrangements that existed during the period.

Summary of options granted under plan:

Particulars	March 31, 2024	March 31, 2023
Options Outstanding at the beginning of the year	2,70,900	-
No. of Options Granted during the Year	22,500	2,70,900
No. of Options Exercised during the year	1,23,690	-
No. of Options Forfeited/Cancelled/Expired during the year	10,000	-
Options Outstanding at the ending of the year	1,59,710	2,70,900
Vested and Exercisable	1,18,710	-

The fair value of the share-based payment options granted on is determined using the black scholes model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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

46. EXCEPTIONAL ITEMS

During the F.Y.2021-22 the Group filed total insurance claim of ₹ 712.00/-Lakhs, Out of which entity received an ad-hoc amount of ₹ 200.00/- Lakhs in the previous year and the total insurance claim has been revised to a total of ₹ 656 Lakhs under the assessment with Insurance Company against the claim lodged with reference to a loss of property, plant and equipment that were destroyed due to a fire at the Group's Demonstration Centre located at Maheshwaram Hardware Park near Shamshabad Airport on November 30, 2021.During the year the Group had additoinally received ₹ 240.90/- Lakhs as full and final settlement from the insurance Company.

The Group has recognised the expenditure incurred in the process of replacing the assets lost and renovation of building which is damaged and the same has been accounted as Capital work in progress (Refer Note 4C) after capitalization of identifiable items which are ready for intended use by the management.

Further, Group has recognised the loss of ₹ 27.96 Lakhs pertaining to a loss of property plant and equipment under exceptional items in the Statement of Profit and Loss during the previous year 2021-22.

During the Current financial year the Group has received an amount of ₹ 240.90/- Lakhs as full and final settlement from the insurance claim out of total revised claim of ₹ 656 Lakhs and thus the Group has received ₹ 440.90/- Lakhs as a total claim from the insurance Company.

47. DIVIDEND PROPOSED AND PAID

The final dividend on shares is recorded as a liability on the date of the approval by the shareholders. The Holding Group declares and pays dividends in Indian Rupees. Companies are required to pay/ distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognised as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

Particulars	March 31, 2024	March 31, 2023
Final Dividend for the Financial Year 2021-22	-	79.23
Final Dividend for the Financial Year 2022-23	166.81	-
	166.81	**79.23**

Net after elimination of amount of ₹ 1.28 Lakhs (₹ 0.28 Lakhs in March 31, 2023) pertaining to purchase of shares (Treasury Shares) held by Zen Technologies Limited Employee Welfare Trust for ESOP Scheme-2021.

During the year ended March 31, 2024, on account of final dividend for FY 2022-23, the Company has incurred a net cash outflow of ₹ 166.81 Lakhs. The Board of Directors at its meeting on May 4, 2024, recommended a final dividend of ₹ 1/- per equity share for the financial year ended March 31, 2024. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM) to be held in September 2024 and if approved, equity shares for considering dividend which would result in a net cash outflow of approximately ₹ 840.44 Lakhs.

48. COMPULSORILY CONVERTIBLE DEBENTURES

On 25 November 2021, the Group has made a preferential allotment of 40,64,267 10% Compulsorily convertible debentures having face value of ₹ 213/- each, for cash, for an aggregate amount of up to ₹ 86,57,65,551/-, which shall be converted into equal number of equity shares of ₹ 1/- each at a premium of ₹ 212/- with in a period of 18 months.

We have accounted this instrument as per Ind AS 109. Financial Instruments, by considering the same as Compound Financial Instrument. This instrument consists of 2 components.

1) Mandatory interest payment by the Group for a fixed amount at a fixed future date and this component is treated as a Financial liability - Borrowings (Note-18 & 21). The financial liability is done by measuring the net present value of the discounted cashflows of interest payment. The discount rate we have considered is HDFC Bank's CC Rate of interest which is 8.50% p.a as the same have tenure near to the CCD.

2) As the holder of the instrument has the option to convert the CCDs into Equity shares on or before 18 months and even in case of holder not exercising the conversion option before 18 months, each CCD shall be automatically be converted into Equity share of ₹ 1/- each at a premium of ₹ 212/- on the last date of the 18th month i.e., May 24, 2023 without any action of the investor. Hence we have treated this component as a equity and presented the same under "Other Equity" in Note 17.7. The carrying amount of the equity instrument is determined by deducting the fair value of the financial liability from the fair value of the CCDs as a whole.

On May 24, 2023, as the period of 18 months ends the CCDs has been converted in to the Equity Shares of ₹ 1/- each at a premium of ₹ 212/-, as a result of which there is an increase in the Share capital (Note-16).

49. RESEARCH & DEVELOPMENT EXPENSES

There are 2 units in which Research & Development operations were conducted by the Company. Location of the units were as follows:

Unit - I: B-42 Industrial Estate, Sanath Nagar, Hyderabad - 500018.

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

Unit - II: Signature Towers, Opposite Botanical Garden, Kondapur, Hyderabad - 500084

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employee Benefits expense	1,080.14	687.19
Electricity Charges	28.90	25.29
Travelling expenses	40.57	58.27
Spares & Stores	733.29	669.75
Consultancy Fee	75.17	103.61
Depreciation	26.17	28.90
Rates & Taxes	0.06	0.03
Repairs & Maintenance	5.56	5.00
Others	54.33	23.57
R&D Expenses for Unit-I	**2,044.19**	**1,601.60**
Employee Benefits expense	513.90	298.52
Electricity Charges	10.02	6.92
Depreciation	85.70	90.00
Repairs & Maintenance	11.53	13.68
Others	-	10.40
R&D Expenses for Unit-II	**621.15**	**419.52**
R&D Expenses for Unit I & Unit II	**2,665.34**	**2,021.13**

Note: The above expenditure of research & development has been determined on the basis of information available with the Company and as certified by the management.

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

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 April 1, 2023 Balance	Additions	Sales/ Adjustments	As at March 31, 2024	As at April 1, 2023 Balance	Additions	Sales/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Tangible Assets (A)	**1,084.24**	**84.29**	**-**	**1168.52**	**564.60**	**26.18**	**-**	**590.77**	**577.76**	**519.64**
Land	51.50	-	-	51.50	-	-	-	-	51.50	51.50
Building - Sanathnagar	481.88	0.41	-	482.29	96.89	8.10	-	104.99	377.31	384.99
Shed - B42	5.12	-	-	5.12	0.72	0.09	-	0.81	4.31	4.40
Shed - CNC- B 42	-	10.74		10.74	-	0.07		0.07	10.67	-
Computers	106.74	-	-	106.74	106.74	-	-	106.74	0.00	0.00
Plant and machinery	141.55	71.80	-	213.35	124.64	5.50	-	130.14	83.21	16.91
Office Equipment	84.74	0.83	-	85.56	84.29	0.47	-	84.76	0.81	0.45
Furniture & Fixtures	148.51	0.51	-	149.02	95.26	10.90	-	106.16	42.86	53.25
Testing Equipment	64.20	-	-	64.20	56.06	1.05	-	57.10	7.09	8.14
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)	**1,992.06**	**84.29**	**-**	**2076.34**	**1,472.42**	**26.18**	**-**	**1,498.59**	**577.76**	**519.64**

Unit-2, Signature Towers, Kondapur

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 1, 2023 Balance	Additions	Sales/ Adjustments	As at March 31, 2024	As at April 1, 2023 Balance	Additions	Sales/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Tangible Assets (A)	**2,178.00**	**25.60**	**-**	**2,203.60**	**402.68**	**85.70**	**-**	**488.38**	**1,715.23**	**1,775.32**
Land	199.15	-	-	199.15	-	-	-	-	199.15	199.15
Building	1,459.39	-	-	1,459.39	116.22	24.32	-	140.54	1,318.85	1,343.17
Computers	75.28	24.37	-	99.65	29.85	24.94	-	54.79	44.86	45.43
Office Equipment	104.68	1.03	-	105.70	96.63	2.47	-	99.10	6.60	8.05
Furniture & Fixtures	339.50	0.20	-	339.70	159.98	33.96	-	193.94	145.77	179.52
R&D Total Assets for Unit I & Unit II	**4,170.06**	**109.89**	**-**	**4,279.94**	**1,875.10**	**111.87**	**-**	**1,986.97**	**2,292.98**	**2,294.96**

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.

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

(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 Company (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 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 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 Company, and quarterly returns or statements of current assets filed by the Company are in agreement with books of accounts without any material discrepancies.

51. BUSINESS COMBINATION

(i) The Holding Company, pursuant to the approval of the Board, has acquired 51% of shares in Aituring Technologies Private Limited with a consideration of ₹ 387.00 Lakhs on March 30, 2024.

(ii) Assets acquired and liabilities recognised as on date of acquisition are as follows:

Unit - II: Signature Towers, Opposite Botanical Garden, Kondapur, Hyderabad - 500084

Particulars	March 31, 2024
Assets	
Non-current assets	
Other non-current assets	13.6
	13.6
Current assets	
Inventories	57.68
Trade Receivables	15.42
Cash and Cash Equivalents	493.63
Loans	79.93
Other Current assets	36.86
	683.52
Total Assets	**697.12**
Liabilities	
Current liabilities	
Borrowings	7.93
Trade payables	11.88
Other current liabilities	279.29
Provisions	1.57
Current tax liabilities (net)	2.12
Total Liabilities	**302.79**
Net Assets	**394.33**

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

(iii) Calculation of Goodwill

Particulars	March 31, 2024
Purchase Consideration paid for 51% Stake	387.00
Add: Non-Controlling Interest	193.21
Less: Fair Value of Net Assets Acquired	(394.31)
Goodwill	**185.90**

(iv) Goodwill is attributable to future growth of business out of synergies from this acquisition and assembled workforce. The goodwill is not deductible for income tax purposes.

(v) Non-Controlling Interest (49% ownership in Aituring Technologies Private Limited) recognized at acquisition date was measured at proportionate share of Aituring Technologies Net Assets.

52. 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 March 31, 2024							
		Net Assets i.e., total assets minus total liabilities		Share in profit and loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
		%	Amount	%	Amount	%	Amount	%	Amount
Holding Company									
Zen Technologies Limited	Military Training & operations	97.18%	45,312.84	99.79%	12,923.45	(102.23%(	(55.97)	98.94%	12,867.48
Indian Subsidiaries									
Unistring Tech Solutions Private Limited	Development of electronic warfare solutions	5.55%	2,586.06	2.55%	330.57	3.60%	1.97	2.56%	332.55
Zen Medical Technologies Private Limited	Manufacturing of medical devices	0.09%	42.40	(0.04%)	(4.62)	0.00%	-	(0.04%)	(4.62)
Aituring Technologies Private Limited	Manufacturing of Electronics and Electrical instruments	0.85%	394.31	0.00%	-	0.00%	-	0.00%	-
Foreign Subsidiaries									
Zen Technologies USA, INC	Training Simulators manufacturing	0.68%	318.52	(1.12%)	(145.01)	198.63%	108.75	(0.28%)	(36.26)
Foreign Subsidiaries									
Zen Defence Technologies L.L.C, UAE	Training Simulators manufacturing	0.07%	30.63	(0.02%)	(2.58)	0.00%	-	(0.02%)	(2.58)
Total		**104.41%**	**48,684.77**	**101.17%**	**13,101.81**	**100.00%**	**54.75**	**101.16%**	**13,156.56**
Consolidation adjustments		(4.41%)	(2,055.61)	(1.17%)	(151.37)	0.00%	-	(1.16%)	(151.37)
Net amount		**100.00%**	**46,629.17**	**100.00%**	**12,950.44**	**100.00%**	**54.75**	**100.00%**	**13,005.19**

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

Name of the entity	Principal activities	As at March 31, 2023							
		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	96.64%	31,919.23	75.32%	3,763.51	(32.71%)	(13.25)	74.45%	3,750.26
Indian Subsidiaries									
Unistring Tech Solutions Private Limited	Development of electronic warfare solutions	6.82%	2,251.62	29.53%	1,475.52	(17.22%)	(6.98)	29.15%	1,468.54
Zen Medical Technologies Private Limited	Manufacturing of medical devices	0.14%	47.03	(0.04%)	(2.14)	0.00%	-	(0.04%)	(2.14)
Foreign Subsidiaries									
Zen Technologies USA, INC	Training Simulators manufacturing	1.40%	461.77	(3.40%)	(169.68)	149.92%	60.74	(2.47%)	(124.43)
Zen Defence Technologies L.L.C, UAE	Training Simulators manufacturing	0.00%	(0.80)	(0.02%)	(0.80)	0.00%	-	(0.02%)	(0.80)
Total		**105.00%**	**34,678.86**	**101.39%**	**5,066.42**	**100.00%**	**40.51**	**101.07%**	**5,091.44**
Consolidation adjustments		(5.00%)	(1,650.89)	(1.39%)	(69.60)	0.00%	-	(1.07%)	(54.11)
Net amount		**100.00%**	**33,027.97**	**100.00%**	**4,996.82**	**100.00%**	**40.51**	**100.00%**	**5,037.33**

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: May 4, 2024

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

Ashok Atluri
Chairman & Managing Director
DIN: 00056050

M. Ravi Kumar
Whole-Time Director
DIN: 00089921

Afzal Harunbhai Malkani
Chief Financial Officer

M. Raghavendra Prasad
Company Secretary
M.No.: A41798

Place: Hyderabad
Date: May 4, 2024

Zen Technologies Limited

REGISTERED OFFICE:
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