

February 06, 2026

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

To  
**Dept. of Corp. Services**  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

**Symbol: ZENTEC**

**Scrip Code: 533339**

Dear Sir/Madam,

**Sub: Transcript of the Earnings Conference Call held on February 02, 2026**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call held on Monday, February 02, 2026.

This is for your kind information and records.

Thanking you

Yours faithfully,  
**For Zen Technologies Limited**

**Sourav Dhar**  
**Company Secretary & Compliance Officer**

Encl: as above



## “Zen Technologies Limited Q3 FY2026 Earnings Call”

February 2, 2026



**MANAGEMENT: MR. ASHOK ATLURI - CHAIRMAN & MANAGING  
DIRECTOR  
MR. HARI HARAN CHALAT - CHIEF FINANCIAL  
OFFICER  
MS. ABHILASHA ATLURI - INVESTOR RELATIONS  
OFFICER**



*Zen Technologies Limited*  
*February 2, 2026*

- Moderator:** Good day everyone and welcome to Zen Technologies Limited Q3 FY2026 earnings conference call. All participant lines are currently muted and this session is being recorded. The management is with us today to share their update on the quarter. Once their remarks conclude, we will open the floor for questions. I would like to remind you all that everything said in this call that reflects any outlook for the future, which can be construed as a forward-looking statement must be viewed in conjunction with the risk and uncertainty that the company faces. Please note that this conference is being recorded. I now request Mr. Abhishek Mehra to lead the discussion. Over to you.
- Abhishek Mehra:** Welcome everyone and thank you for joining this Q3 FY2026 earnings conference call of Zen Technologies Limited. The results and investor updates are available on the stock exchanges. In case anyone does not have a copy of the same, please do write to us and we will be happy to send it over to you. To take us through the results of the quarter and answer your questions, we have with us today Mr. Ashok Atluri, Chairman and Managing Director, Mr. Hari Haran Chalati, Chief Financial Officer, and Ms. Abhilasha Atluri, Investor Relations. With that said, I will now hand over the call to Mr. Hari Haran Chalati. Over to you, sir.
- Hari Haran Chalati:** Good evening and a warm welcome to all. Thank you for joining us on our Q3 FY2026 earnings call. It is my pleasure to take you through our financial performance for the quarter. Zen has delivered a resilient performance for the quarter reporting a 16.8% growth in consolidated revenue and a healthy profit after tax growth of 30.6% despite headwinds in terms of the timing of the order inflows of the last nine months. The profitability for the quarter is driven by favorable product mix and a continued focus on cost discipline. Consolidated revenues for the quarter stood at Rs.177.8 Crores, which is a growth of 16.8% year-on-year and 2.4% sequentially. Operational EBITDA for the quarter stood at Rs.66.8 Crores, reflecting a year-on-year growth of 51.1% and a sequential increase of 3.2%. Operational EBITDA margin stood at 37.6%, higher by 870 basis points year-on-year and 30 basis points quarter-on-quarter. The quarter-on-quarter growth in profitability was partially offset by higher employee benefit expenses, which was driven by the recognition of salary areas following the completion of our annual appraisal cycle across the group, increased ESOP expenses on account of fresh employee stock grants, and a one-time impact arising from the implementation of the new labor codes. As a result, the profit after tax for the quarter stood at Rs. 55.7 Crores. Profit after tax as a percentage of revenues was at 31.3%. Now coming to the year-to-date consolidated performance, revenues for the nine months FY2026 was at Rs.509.6 Crores, a decrease of 21.4% year-on-year. Operational EBITDA stood at Rs.196.2 Crores, a decrease of Rs.39.3 Crores or 16.7% year-on-year. Operational EBITDA margin was at 38.5%, which was higher by 220 basis points year-over-year. The consolidated profit after tax stood at Rs.170.68 Crores, which is lower than the

same period last financial year by 8%. Profit after tax as a percentage of revenues was at 33.5%. Now coming to the order book. As disclosed in the investor presentation, Zen has received orders aggregating to Rs.931 Crores in the past four months. The consolidated order book position as of 31st December 2025 was Rs.1,082 Crores and as on 31st January 2026 was Rs.1,427 Crores. The liquidity position of the group continues to remain strong with around Rs.1,188 Crores available in cash and cash equivalent and a net debt position of zero as of 31st December 2025. This is the brief highlights of our financial performance up to Q3. We can now take questions. Thank you.

**Moderator:** Thank you, sir. Ladies and gentlemen, we will now begin with the question and answer session. Anyone who wishes to ask a question may click on the raise hand icon from the participant tab on your screen. We request participants to restrict to two questions and then return to the queue for more questions. We will wait for the question queue to assemble. We request all participants, please click on the raise hand icon to ask a question. We will take our first question from the line of Rajamohan Vaikuntaraman, who is a professional advisor. Please go ahead with your question.

**Raja Vaikuntaraman:** Yes, thank you for the opportunity. Am I audible?

**Moderator:** Yes, please go ahead.

**Raja Vaikuntaraman:** Yes, thank you once again. And congratulations on the **order** wins for the last quarter. They were pretty heartening in terms of the visibility that you had given us. My first question is based on your expectation of executing Rs.6000 Crores in three years, most of which would happen in FY2027 and FY2028, you had indicated to having capacities to execute up to Rs.2,000 Crores annually currently. In FY2028, when you look at the math, based on your execution plans, you would have to execute in excess of Rs.2,000 Crores annually. Could you give an overview of how do you see capacity expansions happening in terms of annual revenue executability post expansion, like currently it is Rs.2000 Crores, so post the expansion, what would be the capacity in terms of annual execution, then the capex involved and the time frame?

**Abhilasha Atluri:** Thank you, Rajamohan, for asking the question. And just to recap what we have been saying, that for FY2026, FY2027, FY2028, we had indicated that we would be able to do a turnover of Rs.6,000 Crores. And based on that, the question from Rajamohan is, if you were to execute whatever the execution, do you have the capacity to execute the remaining 5,000 plus Crores?

**Ashok Atluri:** So, at this point in time, we are revisiting our order book and the future. And what we have said is that this year, if you are not to take this at the base here, but the last year at the base

here, and you assume that 50% growth in the next two years, it even though it will be about 3300 or so, but we expect about Rs.4000 Crores of execution we actually scaling down our targets at this point in time and with respect to the Rs.4,000 Crores that we are the new target that we have set for ourselves, we do think that even if we were to execute some part in the FY2027 and the major part in FY2025, we do have the supply chain to take the order book and execute the order book. So yes, to your question that we already have scaled up with our supply chain that this Rs.4000 Crores kind of ability. But what if the orders are much larger? I think as we go into the next year, we are building additional capacity. We are investing in both machinery and plant and, of course, even product R&D facility we are investing. So that should create a good pipeline and also enable us to execute the orders if the FY2028 becomes very large.

**Moderator:** Mr. Rajamohan, please unmute your microphone.

**Raja Vaikuntaraman:** Yes. So, Mr. Atluri, based on your answer of Rs. 4,000 Crores that you are expected to execute over the next two years, can one presume that around Rs.1,500 Crores would be what we would achieve in FY2027 and say another Rs.2,500 Crores in FY2028? And you would be able to have the capability to execute over Rs.2,000 Crores, that is Rs.2,500 Crores in FY2028?

**Ashok Atluri:** Yeah, that is right. I would not give the exact figures between the two years. But yes, I think you are right on the scale that between the two years, we should be executing. And if it were to exceed 2000, we should be able to execute, we should not have any operational challenges in delivering on the order book.

**Raja Vaikuntaraman:** Okay, my second question is again a strategic perspective from someone who is sitting at a vantage point. When we look at anti-drone and simulators in general, with nuances like hard kill, combat training zones, naval air force simulators, etc. Could you give a top level view of what kind of budgets India has been historically running on? And how much growth over that one can expect over the next three to five years?

**Ashok Atluri:** You know, in the case of training simulators, the training have preparedness thanks to the current situation world over. At least 6. 7 years back, nobody would think about war happening. And then in 2020, Armenia-Azerbaijan happened, then Ukraine-Russia happened. Now I believe there are some 20 wars going on. And one war which people could never imagine is between Thailand and Cambodia. So everyone is, I do not know, everyone is fighting or eager to fight. But suddenly preparedness has become very, very valid. And in that case, in the Indian scenario also, Indian government is really, really scaling up and they are allocating large funds for the training budget. And of course, they are also and with respect to the anti-drone systems, we have seen more than Rs.300 Crores

worth of upgrade orders, operational requirements are immediately required and then the hard kill requirement has come. I think this will be almost on an emergency basis. The procurement will keep going on. So to your question, I think not only in India but worldwide, both the segment, the training segment and the anti-drone are scaling up. And to your question, how much funds are being allocated, that is a figure that the government has not shared with us. But we think this is much, much more than what we are estimating for what Zen will be getting the orders for. It is a much larger figure. I would say that is running into thousands of crores. So yes, I think there is to your question whether there is enough allocation happening for what Zen is planning, the answer is yes.

**Raja Vaikuntaraman:** Can I squeeze in one last question?

**Ashok Atluri:** Please go ahead.

**Raja Vaikuntaraman:** Yes. Generally, when you look at this Anawave acquisition that recently happened and in synergies with, say, ARIPL, which you previously acquired, what is the outlook on naval and hence associated simulation? Assuming, is it basically as a combination, Anawave and ARPL, are they carrying you into a different dimension of sorts? So objectively, when we look at the combine, can it evolve into a say Rs.500 Crores entity over the next three years or four years or whatever?

**Ashok Atluri:** So, one thing is that in the training segment, one of the order we executed and we got was something called as combat training node for 100 plus crores. And that is actually a breakthrough thing that we have been trying to market for almost a decade, telling to everybody that this is how integrated training between various, arms of the army is carried out. So this was the very, very big thing in the sense it is the first order that we got. And this will become a showcase not only for India but worldwide. And we personally think they will sell in tens if not in hundreds. So, this is only for the Army. A similar thing for the Navy is also on the way, that we are creating a completely full-fledged, integrated Naval Training Center. And with this, and Anawave actually had two of the very, very crucial simulators that we were trying to build ourselves. One is called the Tactical Trainer, the second is the Submarine Simulator. Both of them have been developed and delivered. So they are very, very complex simulators. And as you are speaking, the Anawave simulator for tactical trainers and submarines are having a huge demand in the overseas market. In fact, we were in I/ITSEC in the US, that is the world's largest simulation exhibition, and there was almost a lot of interest in this Anawave simulator that you are saying. And so what is the synergy being unlocked by the combination of Anawave and ARI is that the gentleman who is heading Anawave was Commodore Ahluwalia. He has become the chief technology officer across all the naval effort and air force effort. Commodore Ahluwalia, even though he is a naval officer, he is an aviator. So in addition to doing the efforts with

respect to naval simulator and complete set, he is also building air force simulator. So, I think to your question whether it will be fine. We already are, I think crossing Rs.200 Crores or something like that. But I think Rs.500 Crores will be a very conservative estimate in three years. It will be very, very conservative. And we are very, very, I mean, happy that these both the acquisitions are very, very synergistic. Thanks for the question, Rajamohan.

**Raja Vaikuntaraman:** Great, Mr. Atluri. Thank you very much. Best wishes.

**Moderator:** Thank you so much. We will take our next question from the line of Bala Krishna of Oman Investment Advisors. Please go ahead with your question.

**Bala Krishna:** Yes. Hi, good evening. I hope I am audible.

**Moderator:** Yes, please.

**Bala Krishna:** Yeah. So, Mr. Ashok sir, regarding this guidance of Rs.4000 Crores in the coming two years. So, how do you plan to achieve by introducing some new other products or some acquisitions as we are sitting with approximately Rs.1000 Crores of cash? So we had a lot of acquisition in the past. So how this will shape up?

**Ashok Atluri:** So the visibility for the Rs.4,000 Crores, we have a strong, I mean, the way we are looking at is that we were saying that the order book would be about Rs.1,500 to Rs.2,000 Crores by this financial year. And we still are very hopeful that it will happen. Maybe there will be a slight spillover, but the way we are seeing things I think that looks very likely. So the Rs.4,000 Crores, looks reasonably we look reasonably confident at this point in time and we are hoping that it exceeds that by a larger number and with respect to, are there any future acquisitions since we are sitting on almost Rs.1100 plus Crores of cash the answer is yes we are looking very aggressively for investments and not only in India but overseas we are talking to various companies and again if you see this the FTA with EU is a very, very big deal for India and it is a bigger deal for Zen Technologies because we know the simulator that we have are absolutely world class. The anti-drone system that we are talking about are also very, very highly advanced and the amount of R&D that we are doing currently in both these segments is staggering. And if we are able to actually pull it off, we get a proper access and we are able to tie up with the EU partners, this thing would be very, very big. I mean, we look forward, this is a fantastic move that the Government of India has done and companies like Zen will benefit tremendously from it. So yes, we are also and because we have the gunpowder to actually go and expand our marketing efforts into Europe. This also gives us opportunity to buy companies, which have deep technologies which can be used both to sell overseas as well as back in India.

- Bala Krishna:** Good sir, good to hear that. So regarding the order book execution, we have completed that one order before the head timeline. So the existing order book also so we can expect maybe as it is a 12 months of timeline, but still maybe we can expect it to be executed in 6 to 9 months' timeframe.
- Ashok Atluri:** Yes, I think most of it should be executed within the timeline. And we think that with respect to the so it should be the annual maintenance contract do not get executed, the complete order book will not get executed. So if you see that we will be differentiating between the equipment and the actual AMCs and the AMCs annual maintenance contract are typically between four to five years of execution. So on an average, they may get probably absorbed in three years. So with this, I think otherwise, typically we should execute most of the order book within 18 months.
- Bala Krishna:** Lastly are there any new products other than ADS and our simulation one. So we are talking about Naval also. So do you see any other big product like ADS that is in code or in pipelines and also about Naval products, futuristic Naval? How big it could be we can say that it could be near to be equal to ADS or any can you throw some light on the upcoming products or the new products which are getting matured.
- Ashok Atluri:** So to your question, is there any big blockbuster product like ADS? The answer is no. That is a too big a product. But your question, are we launching some new products? I think there are going to be very, very interesting launches in the next, I would say, one year. So I think but I do not want to preempt my team by saying what they are going to be, but I think some of them will really literally blow people away. And we expect them to be launched in the next few months. So keep tuned in. So again, the thing is, Zen is not a company that is trying to go and tie up with people and try getting the technology and manufacture here. We do not believe in that actually. We do not think that we should be manufacturing coolies or so-called assemblers. We do not want to be a Foxconn. We want to be an Apple. So how do we actually create new products. The extreme R&D that is going on is, again, not to create a me-too product, but absolutely cutting-edge, world-first product. That is what we are putting in effort for. So yes, to answer your question, yes, there will be new launches. But I cannot reveal at this point in time.
- Bala Krishna:** Well, that is all from my side. Thanks a lot and all the best.
- Ashok Atluri:** Thanks, Bala. Thank you so much.
- Moderator:** Thank you. We will take our next question from the line of Sanjeev Zarbade of Antique Stock Broking. Sanjeev, please go ahead with your question.



**Sanjeev Zarbade:** Yes. Am I audible?

**Moderator:** Yes, please.

**Sanjeev Zarbade:** Yes. Thank you, sir. My question was regarding the simulator order that we were expecting for quite some time. That was part of the non-emergency ordering process and probably that was the reason it has been kind of delayed. So, I needed an update about how, when, where are we in terms of that ordering status.

**Ashok Atluri:** Long time back, I had given an example of Angulimala in one of my annual reports. Have you heard about Angulimala? I do not know. Very quickly, I will recap the story. Angulimala was a famous dacoit who used to kill people and he was waiting for. He had an angulimala, he would cut the thumb and put a garland of that around his neck. That is the angulimala. And one day Buddha was passing through and he decided to kill Buddha because he was the last person to complete his garland. And when he started running after Buddha, He ran very fast. No matter how fast he ran, Buddha was almost one step ahead of him, but Buddha was walking. So I think we are having the same feeling here in the simulator order with regular budget, where we are running very fast behind it, but it is maintaining equidistant from us. But again, to be fair, on the lighter side. But to be fair, I think we expect again, without holding us responsible, things are moving in that direction and we expect by before in all probability before March it may come but it may spill over to the first quarter but looks like things look like that by before March the order may be placed on us. Yeah and so that is with the simulator order but again with this delay was caused by the operational crisis the government faced, but I think that has been resolved now the things are moving a little faster than they were before.

**Sanjeev Zarbade:** Yes so my second question was the kind of situation we faced in the first half, wherein we had a weak order book to start with in FY2026, and that led to muted first half. So what are we doing from our side to de-risk our financials from this kind of volatility in order book?

**Ashok Atluri:** So, the thing is that as of now we have order book and it is building fast. So I think in the immediate future, there is no crisis. But your question in future, what are we trying to do? One thing is, we are really ramping up our export efforts so that, even if the Indian orders get delayed, we start keep getting the export orders. And, we are hoping that the new defense acquisition process to 2026 is going to be released very soon. I think that the draft will be released anytime. And that will enable us to execute or get orders in a faster time or procurement cycle. That I think will actually kind of the export market and the faster cycle and the emergency procurement, we expect them to continue for some time. All put together, I think, will probably not create a situation where our order book has depleted. You are very right in the sense, Sanjeev, that your question is if the order none of our

investor doubt our capability to execute the order book. But if the order book itself depletes what can we do? Actually, that is a very sticky position to win. We hope we will not get to that position again.

**Sanjeev Zarbade:** Right, sir. And what would be the AMC portion in our order book?

**Hari Haran Chalat:** The AMC portion as at 31st January out of the total order book of Rs.1427 Crores is Rs.338 Crores.

**Sanjeev Zarbade:** Ok, sir that is it from my side. Any further questions, I will come back.

**Ashok Atluri:** Thank you Sanjeev.

**Moderator:** Thank you so much. We will take our next question from the line of Vikas Singh from ICICI Securities. Please go ahead with your question.

**Vikas Singh:** Thank you for the opportunity. Am I audible, sir?

**Moderator:** Yes, please go ahead.

**Vikas Singh:** Sir my first question pertains to our revenue target vis -a-vis the order book. In order to get that 2,000 or 3,000 kind of the range, we would need to have a running order book of Rs. 2,000 Crores. Currently, we are at Rs.1,000 Crores. So, just wanted to understand which are that new segment or pockets which you are targeting and are a little bit on the confidence level of to get this in the next 8 or 10 months to get the order book to almost two, two and a half thousand Crores, despite being Rs.1,000 Crores to Rs.1,500 Crores of the execution targets as well. This seems to be a little bit a tall figure, so just wanted to understand which segments are actually new to us, which we are targeting, and what are our thought process or confidence levels on the same.

**Ashok Atluri:** Yes, Vikas, thanks for the question. So your question is that we have an order book of about Rs.1400 Crores and out of that about Rs.1100 Crores is equipment and Rs.300 Crores is, three plus, how will we execute Rs.1500 Crores is that question. So I think the order book position will improve, I think pretty soon to about, what we are saying about the simulator, etc, orders, it should go to Rs.2000 Crores and we should be, you should be able to see that next year, we should be, if we execute as per the timeline, we should hit the target that we are envisaging for the next year. Our thing is, how do we, the order book should, by the next financial year end, the order book should be around Rs.2,500 Crores to Rs.3,000 Crores to actually hit the complete target of Rs.4,000 Crores. So, we will have to wait and see for that, but as of now for the next year, things look very bright for us.

- Vikas Singh:** Yes. So just let me just slightly rephrase this question. out of this Rs.2000 Crores of execution what portion do you think would be coming from the simulation which is your previous business where you are on top and what portion do you think from the new segment like electronic warfare, drone component because that is where the growth path is for you incrementally, so if you could just highlight that.
- Ashok Atluri:** I think we will continue to be a little heavy on simulators as of now, given the order book that we have. We will have a little heavy on simulator at the expectation. But again, the growth that may come from an anti-drone system will be much, much higher, and the way the government is going and the way we have been able to get the orders. Again, a lot of people are claiming that they have got the orders and all that but the centralized orders under which the heavy screening goes and actual capabilities are seen, especially the track record of the company is seen. And as our investors know, the Zen simulators were actually tested at the operational crisis level. Given this, that is why we got an upgrade order, and we also got a new order, and also we got an order for Hard Kill. Now this is a combination that is not there at all. So given these things, and the actual threat that the nations are facing, including India, from drones, this is absolutely right on the that this will actually grow. But as of now, what we see immediately is that this is the simulators are also very, very large.
- Vikas Singh:** Noted sir. Sir, my second question pertains to our standalone versus subsidiary performance. So, if I see that our standalone performance is obviously because of book of orders was down, while subsidiaries was going up, just wanted to understand that since subsidiaries margins are less right now so what is our thought process on the incremental margins coming from subsidiary bringing out the total consolidated margin targets for FY2027-FY2028.
- Hari Haran Chalat:** So Vikas most of the acquisition that we made for ARI we are still in the process of integrating it into operations. So ARI on a standalone basis delivers currently around 25% as a PAT. Our target is once the complete integration of ARI is done with operations, it will average closer to what Zen averages in the long term. And so most probably the small dip in the consolidated performance that you are seeing currently would go away once the complete integration with ARI is done.
- Vikas Singh:** And by when we are expecting this?
- Hari Haran Chalat:** So most probably you would see that coming in FY2026 itself. The impact of the integration with ARI.
- Vikas Singh:** Okay and for this electronic warfare and drone business given the competition is heating up there our long-term assessment is would the margins would match our current or usually

logically should be on a lower side right? So, how should we look at the margins there once you achieve your targeted level of production and sales?

**Ashok Atluri:** So the anti-drone system margins have been lower historically than simulators, because that is a new product we got into. And there was competition at that point in time. But as we see that the gap between us and the competition is growing every day as we add more and more features, it started with just a soft kill. But then we added spoofing. Now we have added the hard kill. And now we as we go ahead, we adding a lot of other things again as I was saying that, the new products coming out in this regard. But very frankly, as you see, your intuition may be right that there will be margin pressure on us. But will we be able to maintain the predicted 25% PAT margin at a consolidated level? I think we feel confident about that.

**Vikas Singh:** Noted sir. That is all from my side. Thank you for answering the question.

**Ashok Atluri:** Thank you, Vikash.

**Moderator:** Thank you so much. We will take our next question from Dipen Vakil of Philip Capital. Please go ahead with your question.

**Dipen Vakil:** Hello. Hi, am I audible?

**Moderator:** Yes, please.

**Dipen Vakil:** Yes. So first of all, congratulations on a great set of order wins. So my question is, first is, so you mentioned about the emergency procurement orders coming back after the previous tranches. So anything where we are participating or any order pipeline in near term which could further boost our orders?

**Ashok Atluri:** So with respect to simulator order, we are expecting some order Dipen, probably again, I was thinking by March, but we never know the pace of the government and their compulsions. So based on that, the order book should improve significantly in the next couple of months. And after that, we know that a lot of very large inquiries are coming for the anti-drone systems and even training equipment. So, yes the pipeline is very, very strong.

**Dipen Vakil:** So, you also mentioned about opportunities opening up from the export area. So, what kind of contribution can we see, say, starting, say, maybe from FY2027 onwards? I know, I understand that it will be like a marginal start, but what kind of a contribution can we expect from like geographies like US where you have presence and also now EU or Middle East opening up? So what kind of contribution can we expect from export region?

- Ashok Atluri:** So, we definitely can see a lot of, we actually can visualize some orders coming from Middle East, Africa and Southeast Asia. And again, I do not want to put a number, but I think it may be anywhere between 20% to 30% of our total turnover. So especially for FY2028, I would say. So those things are really being negotiated. And fortunately, our standing in the international market is very good as a country. And they like companies that have the IP control because again, they are also worried like many other countries, that what backdoor software is there, what kind of, nobody would believe a country like China to their software. But in our case, we have, India has that standing that morally we are not a country that will let down any of our allies. But again, we have seen that if you do not own the IP, they just can become bombs. You know, nuclear reactors can be compromised. So it is a big challenge that also for the export market, we think it is going to be very big number, especially in FY2028.
- Dipen Vakil:** Got it, sir. So now just a small book keeping question, sir. Can you help us with the order book split between simulators, anti-drone and overall export orders in the order book?
- Hari Haran Chalat:** So, as of 31st January, the total order book is Rs.1427 Crores. Out of that, the anti-drone system and simulators are equally distributed of 50%, 50%. And between domestic and exports, it is more heavily inclined towards domestic. So, domestic is around 93% and the exports would be around 7%.
- Dipen Vakil:** Got it, sir. So that is all from my side. Thank you so much and wish you the best for new orders going ahead.
- Ashok Atluri:** Thank you.
- Moderator:** Thank you so much. We will take our next question from Ashish Soni of the Family Office. Mr. Ashish, please go ahead. Please go ahead with your question.
- Ashish Soni:** First question, I think initially we were thinking that it will be Rs.5000 Crores order book in next two years. So what changed because it got decreased? What are the factors if you can just?
- Ashok Atluri:** So, one thing is that the order book, Ashish, that we were expecting a lot of orders to come in the area of simulators and anti-drone. The regular procurement had it gone on and the pace at which it had gone our order book would have been very, very high. We probably would have still been able to say that we are on with the target. So what change is the pace at which government was processing the orders. The orders got delayed in the procurement and that is why this year got hit and next year also we had to readjust the base year to the previous year. So I think that is the reason we had to reduce the thing. But again, as we are

being cautious here, we hope that we are wrong in this case and we do much more than what is being projected.

**Ashish Soni:** And second question is on the thing you wanted to set up manufacturing in US especially to cater to NATO countries. And now, with this sort of FTA getting a green signal, would it be better that if we try to export from India, is it possibility for at least for the European Union countries? And now with all these tensions across with US and NATO going on, so just can you throw light on the U. S. as well as this part, if at all you can?

**Ashok Atluri:** So, yes, Ashish, you got the thing right. Your intuition is right in the sense that, the US thing is not going as fast as possible. We have built a team there and we are interacting with them and trying to, we have technologies that they want, they came, saw and they said, we are very keen on this. So we are complying with their lot of regulations. They are highly regulated defense economy. So we are getting ourselves registered with appropriate authorities. The EU FTA came as a fresh breath of air for us, and we are actually talking to consultants and all that, so just declared a couple of weeks back. So we really, really are now looking at the EU as probably the base from which we can operate for the NATO. And but again US market is very huge. I mean it is not a market to scoff at. So US efforts are going on at this point in time. But if things work out better for us in the EU market, which we will be doing in the next couple of months, we have clarity. We would like to set up there. And again, we also are looking at targets in the EU market, which we can acquire and enhance our bouquet of offerings.

**Ashish Soni:** Well, last question, Israel, I think Netanyahu said that they want to trust only India, US and Germany for their supplies or weapons. Do you think any possibility for us to work with Israel specifically in this area based on the statement which came recently, I think last week from their Prime Minister?

**Ashok Atluri:** So, we have never worked with Israel, we never any deal till now. We have never done anything with them. And, let us see if there is any opportunity that presents us. It is not that we do not like to deal with Israel. But, we are a company that is focused on creating our IP. I think Israeli companies like people who want to do manufacturing, but are not technically capable. But we may not fit their idea of an ideal partner, because we want to really make India Aatmanirbhar in the proper sense, not just manufacturing facility, but creating the IP, owning the IP, and working on creating next generation of products.

**Ashish Soni:** Ok, sir. Thanks and all the best.

**Ashok Atluri:** Thank you.

- Moderator:** Thank you so much. We have Amit Dixit of Goldman Sachs with his question. Please go ahead.
- Amit Dixit:** Good evening, everyone, and thanks for the opportunity. A couple of questions from my side. A few quarters back we introduced three or four products like. Barbarik, Prahasta, etc. So just wanted to get an idea because of the focus of the government on AI-driven platforms. And there are a few players who are thinking of putting up such facilities. And we have a head start. So first of all, if you could elaborate on the opportunity that you see overall in this space and how far we have progressed on the development of these products. That is the first question.
- Ashok Atluri:** These products are managed by our associate company, AI Turing. They have a trio, Abhishek, Komal and Tushar who manage the company. And, very frankly, we think what they have created is absolutely marvelous. And to your question, where are they? When I said that we got the hard kill order for including the anti-drone system, shooting down the drones, it is their product that was part of the solution. So, we have started selling their products, and we think that they are also on the verge of getting a lot of orders. So by the next FY2027, you will see they will make a meaningful contribution to our overall revenues and profits.
- Amit Dixit:** Okay, that is nice to know, because at that time it was supposed to be the next vertical for us in terms of earnings, apart from anti-drone and simulator. The second question is essentially on European FTA and you mentioned in your prepared remarks that you see opportunities over there. So is it possible at this stage, it is still very, very early, but if you can highlight some of the platforms/products that we would be kind of, targeting in that region, because some of the companies, particularly in radar electronics, who have their own IP, they have got a head start over there. So just wanted to understand from your perspective, because you are also an IP driven company. So what kind of opportunities you essentially see over there? And I am talking about medium term here, I mean not something quarterly basis or something like that.
- Ashok Atluri:** So medium term, when you are talking about I am assuming at least two to three years is what would be qualifying there. I think yes, we are. Again, people, the Europeans also love the fact that IP is owned, their technology is completely owned by India, and they want to deal with us. And we think that the technologies that are anti-drone system and simulator, which are our mainstay, both have a huge market in Europe. And one thing very interesting is that the Europe at present is perceiving Russia as the biggest threat. So, when they want to really prepare with Europe versus Russia kind of a thing, situation, we have, India owns Russian equipment and the simulators that we have are mostly Russian equipment simulator. So they actually can do a full -fledged war gaming with our simulators and their

simulator. And again, we can make simulators for their, because the engines, the underlying them have the same physics, different tanks, but we can moderate them, modify them. So now if they want to try out how will our simulation work against Russian equipment, we are there. We are exactly the exact fit for them for the future needs. So I think in addition to the anti-drone system, even simulator market is going to be very huge. And you know, we are coming up with offers that they may like where we know we do not mind doing a service based offering also there. So I think, to your question, they would love to have an IP owned solution there rather than somebody just pushing someone else's solution.

**Amit Dixit:** Okay, thank you. Thanks a lot and all the best.

**Ashok Atluri:** Thank you, Amit. Thanks.

**Moderator:** Thank you so much. We will take our next question from Jatin Jadhav of Sahasrar Capital. Please go ahead with your question. Please unmute your microphone, Jatin.

**Jatin Jadhav:** Am I audible now?

**Moderator:** Yes, please.

**Jatin Jadhav:** First of all, thank you so much for the opportunity. Most of my questions have been answered. But I still have a few out of curiosity. Can you describe in an unclassified or a non-technical term how Zen Technologies Counter UA suite is designed to detect, track and classify threats under the presence of, let's say, an enemy electronic warfare situation? I am basically highlighting the Venezuela situation wherein the enemy was doing electronic warfare on our system. So how does Zen plan to counter that or our counter US system?

**Ashok Atluri:** So, what we understand is that there was a huge awe and shock kind of a thing, which was sent and they not only neutralized the systems, but it also neutralized the people, the bleeding ears, etc. So, if such a thing is done, was done to us, probably most of the electronics in India would also have been frozen. But now that we are aware of it, we are building capabilities that these kinds of things do not damage us. And I think in India, we are also developing similar products, which if we are, we can also retaliate with equal or more force disabling their situation. But again, what we have been doing is, we started with basic range of the commercial drones, neutralization, but most of the companies are stuck even now. They are still neutralizing only commercial drones frequencies. But Zen has gone beyond that. We started with wideband. We said the commercial will not do. Non-commercial also need to be jammed. So we started with 406 gigahertz. Today, we have gone from 100 or even 70 megahertz all the way up to 12 and 18 gigahertz. So it is almost becoming band agnostic. We are not caring where it is coming from, but we will be able to



jam them. Our capabilities are being built. And I think if a Venezuela-like a situation happens, we should come out on top if it were to happen now.

**Jatin Jadhav:** Thank you. My next question is how does the system distinguish between genuine and deceptive inputs as false radar tracks, RF signature? Do we employ multiple sensor fusion and then basically figure out where the real target is or how do we do it?

**Ashok Atluri:** The thing is, because, again, whether it is an urban area, there is a lot of noise, there is a lot of false alarms. So, but we have over a period of time done a lot of AI-based programming and we are able to suppress false alarms and the actual alarms are being shown. So, the drone threats, if they are fake, they are completely ignored. And so that person, because otherwise if too many false alarms are there, they kind of become immune to that and we stop noticing them. The only way to do it is actually based on the operational feedback, keep improving the algorithm so that the false alarms are suppressed and the genuine security is actually recognized and communicated to the operator.

**Jatin Jadhav:** Got it. Just one small question. Since we have a very good capability of developing virtual environments for various kinds of products, can we somehow use that capability to generate an environment which is infused with a lot of electronic warfare zones, probably for simulating our own drones, our own missiles, how they act in that particular terrain or in that situation? Is it possible?

**Ashok Atluri:** Yes, so the complete, it is called a war gaming kind of environment where people are fighting war with each other. And typically it may be just map based, but most of the time, what we are enabled is, we are saying do not just play on the map, but actually have simulated tanks being moved, artificial AI tanks being moved with actual tanks, integrate them with the actual tanks. So yes, this is absolutely possible. And this is the solution. The combat training mode is a step in that direction that we have offered. And that is absolutely the number one in the world in terms of what we are offering. And that is going to scale up now and most of the countries are going to ask this question, that is your virtual simulator integrated with live simulation and war gaming simulation? So yes, we are absolutely there. And that is what we think will drive our future growth.

**Jatin Jadhav:** That is pretty much it. It is a pleasure to know that. Thank you so much and all the best.

**Ashok Atluri:** Thank you, Jatin. Thank you so much.

**Moderator:** Thank you so much. We have Mehul Panjuani of 40 Cents with his question. Please go ahead.

- Mehul Panjuani:** Thank you so much for the opportunity. It is really heartening to see that, Zen is going to be a biggest beneficiary, quite a good beneficiary from the EU deal. So my question is that, since we are going to work with the EU closely, would that impact our US opportunities?
- Ashok Atluri:** Not at all. Mehul, somebody else pointed out, would we be operating for NATO from US or from EU? We are very agnostic. So, with this FTA coming through, it has completely changed. It is an absolutely new opportunity for us. And I think we are being more openly embraced by the EU as a country than US at this point in time. So, in fact, this additional incremental opportunity that has come, the overlap may be executed from either US or from EU, but it is absolutely a positive development.
- Mehul Panjuani:** Ok, sir. And my second question is that in the last call, last conference call, we had mentioned that there would be orders of Rs.650 Crores, which will definitely come in H2. And in our opening remarks and various responses to the questions, I understand that we are talking about orders of about Rs.1,200 Crores. So maybe I am missing something here. So if you can just clarify.
- Ashok Atluri:** We have got the orders, Mehul. more than as promised or a little more than what we have promised, we have got only ordered somebody as someone raised that, what happened to your regular order of a simulator? That was the only thing that did not come through. But as I was saying that we should be getting back, but otherwise, whatever we have said in earlier calls have already been delivered, almost Rs.600 plus Crores of recently we got this anti-drone system upgrade, new orders, hard kill, and then we also got some simulators come back training mode as order, then we also got tank simulators again as an order, so if you go through the orders and releases that we have done, and we are at Rs.1400 Crores, the total order book position is Rs.1427 Crores and that is a reasonable buildup. I am not something to really celebrate over but from what were three months back to now, it is a very good build up.
- Mehul Panjuani:** Great sir. And sir, how long will it take to execute these orders worth Rs.1400 Crores?
- Ashok Atluri:** So what we have seen that out of that equipment is about Rs.1100 Crores. So most of the equipment order should be executed in the next 18 months.
- Mehul Panjuani:** Okay. So, when will our numbers of the top line start getting impacted from which quarter onwards?
- Ashok Atluri:** So, no, I will not say, but next year will be definitely much, much better than I think, we should record the highest turnover in company's history next year. It will be a very big year.

**Mehul Panjuani:** Okay, sir. Thank you so much and wish you the very best, sir.

**Ashok Atluri:** Thank you, Mehul. Thank you so much.

**Moderator:** Thank you so much. We will take our next question from Bright Buttar, who is an individual investor. Please go ahead.

**Bright Buttar:** Hi, sir. Congrats on a great set of numbers. My first question is, how big are the orders in size expected from exports? What are the size that we are looking for? How big are they going to be compared to Indian orders? And the second question is, what happened with the Orlando expo of simulators? Did they show any interest or anything from our simulators?

**Ashok Atluri:** So, what was your first question? Your first question was related to export orders. What was it?

**Bright Buttar:** My question is, what is the size of those orders that we are expecting? We got Rs.300 Crores and Rs.400 Crores order from Indian MOD, so what sizes are there from exports?

**Ashok Atluri:** Okay. So the first question is that we have got all kinds of orders, we have got Rs.320 Crores. So typically, in the case of Indian orders that we have got, 300 is typically the limit within which the decisions can be done at a more reasonable level as the order sizes increases, goes to Rs.1000 Crores, Rs.2000 Crores, the approval levels keep going up and they are longer cycles. So that is why during the emergency procurement, any Rs.300 Crores less than order, all the typical size were about Rs.300 Crores or less. So we got them. But export, there is no such a constraint. I mean, it could be Rs.400 Crores, Rs.500 Crores, even Rs.1,000 Crores, but the kind of orders that we are pursuing are in range from Rs.100 Crores to Rs.800 Crores. So we could get any of those orders at that point in time. And with respect to the Orlando Expo, it is called the International Exhibition for Simulation and Training. We call it I/ITSEC for short. It is based in Orlando and it on comes the weekend after Thanksgiving, typically the last week of November or first week of December. So we went there, we saw a lot of military, American military people coming and they were very excited, especially with our naval simulator, they said this is something that they really want. So we have got a lot of inquiries from there. And we have the as ARI already had a huge network even in South America. So there is a lot of people even from South America had come and they have seen this simulator that we have. So I think we expect orders even from the, thanks to our presence there. But again, it will be non-US orders that we are expecting faster. The US orders again, as I said, that there are lot of regulatory registrations, etc., process that we need to do before we actually become eligible for the orders. We may get EU orders faster than U.S. orders, but let us wait and see how the EU plays out.

**Bright Buttar:** Okay. Thank you, sir. That was it from my side. And good luck for the future. I appreciate it. Thank you.

**Moderator:** Thank you so much. Ladies and gentlemen, that was the last question for today. I now hand over the call to Ashok sir for his closing remarks. Over to you, sir.

**Ashok Atluri:** Thank you, Swapnil. Hello, fellow shareholders and investors. Actually, this year, as we have been saying, it is going to be pretty muted. And it maybe 20%-25% less than the next year, but we hope that we will be more than compensating it during the next year. But there have been very positive developments. Government has been giving our emergency orders. They have been giving new product orders, like for the combat training node that we were talking about, that has been going almost for a decade. But now they really want it. And what we think is, with the Indian government taking, there will be huge demand overseas also, because that becomes a reference site for us. And Indian government is very, very open to allied countries to show that. So, we think that combat training mode is a big, big win for us. And of course, the anti-drone system, the R&D is going very, very hard. We are trying to meet the operational needs. Again, typically we say that we are not building for an RFP or we are not worried about the RFP. We actually want India to win wars. So, what is the product that we need to have to handle the actual threat? So that way, anti-drone systems are also working very, very in the right direction. Again, the EU FTA was a very big deal and I think we should be getting a lot of benefit out of it. I am very excited and I am going to Europe and in the next earnings call there will be something interesting about EU. One thing I want to also refer is that the simulators that Zen actually saves thousands of crores of rupees. And it is very environmentally friendly in the sense that you don't have to fire actual ammunition, you do not have to take the tanks onto the field for the actual exercise, but you get more feedback, more competent skill building happening when you use the simulators. And because of this, we also got a very interesting thing for the investors would be, we got an ESG score of 67. Last year we were 41, we have suddenly gone to 67. So this is the Dow Jones Sustainability Index score, I think this is a big plus for us and that will get some investors in the sustainability sector in to Zen. But again, this is just the beginning. The company secretary, Sourav had done this job single-handedly. We expect to really aim at a very high score in this. So that people who are into sustainability can actually see a rare intersection between defense companies doing sustainability work. So ESG is the one thing that we are very excited about.

And again, very briefly, I want to touch upon the budget. The budget was Rs.7.85 lakh Crores and it was a huge budget. And the commitment to spend 75% of it on domestic procurement was very good. But again, our always thing is, will it be an Indian-labeled foreign goods or it will be actually designed, developed, and made in India stuff? So this is where government can actually play by setting an example that pretenders and fakers will

not get the orders. The actual IP developers will get the orders. So that would be one very big thing if it happens. Otherwise it is strategic dependence, which the Indian label will continue and we will never get strategic autonomy that is one thing that will be missing. So our hope is that money actually flows back to complete the design rather than just get somebody else's technology and assemble in India. So these were the main points that I had in mind. And one final thing was that there is a Research Development and Innovation Fund that the Government of India has floated for Rs.1 lakh Crores. Out of that they want to spend Rs.20,000 Crores every year on to Deep Tech and defense is one of the areas that the RDI fund will be using. So this is something some area where companies like Zen will be taking help from the Government of India to actually do long term. I mean the fund the government is talking about is actually a 50-year fund but they will be giving to the Indian companies maybe 10 to 12 years kind of thing. This actually companies that have that actually do R&D, have a long-term scope, and are willing to put in their money. So the government is willing to put in 50%. We put in 50% or we raise it from somewhere and put in 50%. We can really go for very, very important technologies for five years, seven years, even 10 years of development. And again, how should we approach this is very simple. What are the technologies five or seven years from now, we think will be very important in war? And then trying to identify the Pareto within them and then double down on the Pareto. So that is the approach that Zen will be doing and I think, very frankly again every time I come, I say one thing, I have never been more excited and I want to repeat that. I have never been more excited and I think India version 2 is going to happen in a rapid way in the coming couple of years. Thank you so much for your time.

**Moderator:**

Thank you. On behalf of Zen Technologies Limited, that concludes today's conference call. Thank you for joining us. And you may now click on the leave icon to exit the meeting. Thank you all for your participation.