

May 08, 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 Conference Call held on May 04, 2026**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earning conference call held on May 04, 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  
Q4 FY2026 Earnings Conference Call”

May 4, 2026

**Management:** Mr. Ashok Atluri - Chairman & Managing Director  
Mr. Hari Haran Chalot - Chief Financial Officer  
Ms. Abhilasha Atluri – Head, Investor Relations



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**Moderator:** Good day everyone and welcome to Zen Technologies Limited Q4 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 reflects any outlook for the future, which can be construed as a forward-looking statement and 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 Q4 and FY2026 earnings conference call of Zen Technologies Limited. The results and investor updates have been e-mailed to you and are also 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 Chalot, Chief Financial Officer, and Ms. Abhilasha Atluri, Investor Relations. We will be starting the call with a brief overview of the performance, which will be followed by the Q&A session. With that said, I will now hand over the call to Mr. Ashok Atluri. Over to you Sir!

**Ashok Atluri:** Good morning everyone. I just want to do a recap on the current products that we have and talk about the future products that we are going to launch. The main point here is that there is a North Tech event happening in Prayagraj as we speak and our products are being introduced there and I am very excited about what has happened in the product space. The result, you know, I will leave it to Hari to make the presentation and field the questions with respect to that. So I will just start the share here. So very, very broadly that what has happened in the past few months is that the two areas that we were focused on, which is anti-drone systems and the simulators, both have gained so much of prominence in the recent wars that have happened. The first thing is anti-drone system without much argument in the sense the Israel-Iran war that was fought was completely drone-based or missile-based and whoever could, for every rupee, get the maximum mileage won the war, actually. So we can see that while they were launching \$30,000 Shahed drones, they were being countered by \$3 million interceptor missiles. So complete missile math was completely mixed up. So one takeaway from that was that anti-drone systems are playing a big role, but in addition to just pure software jamming, hard kill options have to be there and in hard kill, the ideal situation is for every \$30,000 attack that happens, can you stop it with a lesser amount, maybe \$20,000 or even one third of the price at \$10,000? Can you really neutralize the Shahed drones? So that was what the thing was but coming back to what then have been doing there we have been doing anti-drone systems. We have introduced hard kill options and we see that the currently post Israel, the focus has almost 2x, minimum 2x, from what



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we were originally projecting. So what is the impact it will have on our turnover and all that is not yet known. But we see that two to three years from now, the mainstay is going to be the anti-drone systems and second, what has happened is that, again, because of the war, the sudden non-existence of war prior to 2020, to now Armenia-Azerbaijan, Ukraine-Russia, Israel-Iran, all these wars have really changed the dynamics very, very well. So what has happened in essence is that the companies are now scrambling for preparing for war. It is not the question of if you will be attacked. If you are perceived weak, you will be attacked is the general theory. So how do you make yourself really unbeatable is by making yourself properly trained and then buying the right kind of equipment. In this direction, we have started doing a lot of efforts, but one of the biggest change that has happened in terms of our development efforts in the last few years versus last few months is that AI has taken a major role into our development cycle. So AI takes two places. One is at the level of the process-based. Where are the processes? Are you developing software using AI? Secondly, embedded level, are your products themselves, are the simulators, are your anti-drone systems themselves AI native or not? So these are the two areas that we have been focusing on.

One thing that happened was that because of this extraordinary productivity increase, we have suddenly released a lot of bandwidth in our companies. So, one of the companies that did extremely well is both ARI and ANAWAVE under Commodore Ahluwalia and they have started developing really interesting products. So with the bandwidth, we are now able to take more products and holistically address the market that has come. One of the products that they have developed is a cyber security suite. So this is actually a physical suite that is integrated, which can be integrated at control and command centre. It can be integrated into ships. It can be integrated even into aeroplanes, where if the attack happens through hacking, this can prevent and typically, there are six layers. Six layers, one is the awareness and training layer, monitoring and intelligence, protection and prevention, encryption and data sovereignty, threat perception, investigation and response, and finally, post-quantum readiness, which is required because of the encryption that is required and in all the cases, there are zero foreign dependencies and it is a proper example of Atmanirbhar Bharat. So this is something that is happening and the second thing that we have started doing is of course the anti-drone simulator. So we have been actually supplying the anti-drone system for a long time. Now, anti-drone simulator has also been developed by ARI and this is a very advanced training platform because we really cannot block the actual anti-drone system for training. These actual anti-drone system do have built-in training methodology, but we have requested by the customer that this is a separate activity and so we have created an anti-drone simulator. Again, we think this is a major product. It will teach people to detect, track, and neutralize aerial threats, very realistic virtual environment. It could be a single drone threat or swarm attack drone.



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Also, can you have a mission-based tactical exercise? This does enable that. So of course, scenarios can be configured with adjustable threat levels. So this is actually before the war happened. The war can be simulated, and drones can be activated and stopped from attacking the thing. Again, even the anti-drone system that is there is heavily AI-powered. Again, a lot of AI in that. So especially when we compare, our thing is 15 plus kilometres detection range. Of course, if it is network, it goes indefinitely. It can be 4,000 or even 40,000 kilometres, we are talking about each individual system and frequency dominance is one of the biggest challenges that we are seeing worldwide is that a catch-up game that the other vendors are playing with Zen. So initially, now recently, we have been supplying for 400 megahertz to six gigahertz, but that is outdated. Now we know that the bad actors are actually making drones at 100 megahertz, they are making it 10 megahertz or 10 gigahertz, they are making it 12 gigahertz. So what we have done is we have preemptively made the product with wider frequency dominance with 70 megahertz or 12 gigahertz.

Again, Our neutralization capabilities are extraordinary, RF jamming, GNSS jamming, RCWS guns that we have already included, air defence guns integration has already been done, both L70 and ZU-23. So this product is way ahead of, what are available in the market worldwide. Again completely radar itself is also indigenized and with a range of 20 kilometers and detects smaller drones much, much earlier than what competition would do. So the latest launch is again being launched today at Prayagraj and we are very happy with what is being done. This is actually future proof at this point in time and we think that this will have a lot of market not only in India but worldwide.

Another product that is being launched today is Vrishabh. Now Vrishabh is an unmanned ground vehicle, UGV, that is capable of combat, logistics, and casualty evacuation. It has a payload of 150 kilos. It goes at a speed of 50 kilometers per hour. The range is up to 100 kilometers. They have already integrated various weapon systems, MMG, LMG, direct fire, AGS, indirect fire. All of them have tried on this, and they function very, very well. The recoil is absorbed very well. The operating mode is you can manually operate it, or you can just, on autonomous, give a task. Give a task, go there, do this, and come, kind of situation can be there. All the autonomous is there. It has Ackermann steering for better control and reliability. Indigenous content is more than 85% and commercially we are planning to launch it in this financial year, FY2027 and of course, these are the other things that can be used as combat, logistics, or casualty evacuation and this is a command and control center that you see, very, very interactive and state-of-the-art. Another product that has been launched in collaboration with AI-Turing is our associate company is that this is a unique 30-mm ammunition. We have ammunition license in addition to the recently granted the weapon license, we also have ammunition license. So we are building this ammunition, which is RF based programming, it has pre-fragmentation and tungsten ball as the core.



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We have actually tried it out and it destroys everything within a 10 by 10 meter area and this can also be used as an anti-drone firing thing on our 30mm cannons and again, when you use this ammunition, you do not have to modify the actual weapon. So you can use the regular weapon system and put this ammunition into that. Again, finally one more thing that is happening is the CIWS. This is a gun missile system developed in collaboration with AiTuring systems. This can be used by naval forces and in addition to the weapon system, it also has the shorter missile range and built-in radar. So, some of the smaller targets where people do not want to spend the RF detection and the jamming, but want to just to have a hard kill option, this built-in radar is a self-contained solution, which would actually at a much lower price point can be pushed to the armed forces.

So, again, as I was saying, one of the biggest thing that I am really excited about is, can we actually make a drone and intercept a drone that is costing much cheaper than the \$30,000, the Shahed drone that cost and can it effectively. The biggest challenge is these drones come at 180 kilometer, this Shahed drone does 180 and now the recent ones, we here are doing 300 and the next ones, probably would be crossing even that. So given these speeds, it is very, very difficult to actually realize a drone that can fly at a speed of 300 kilometers. So how do you exactly address this challenge of stopping a 30,000 drones with much, much cheaper attack, Shahed drone, with much, much cheaper solution? So, I am very, very happy and very, very proud to announce that we have just come up with similar solution that is actually much, much cheaper than Shahed drone. We think at \$10,000 is a very, very good entry point for this and we are launching HyperStrike, which is having a speed of 400 kilometers per hour. It is a five-minute loiter and strike thing. So it can go easily 20 kilometers plus and hit the target and even if it misses, it can be maneuvered physically. One thing is it has the AI built in, but at the same time, a manual override is there which can be chased and it can hit the target. Again, the proximity variant payload is about 200 grams, AI enabled tracking and guidance and 4kg airframe and mass production. So we think that we should be doing about with the production will start in this financial year of this and we expect that even the capacity is about 5000 per shift, per month, but we think we can easily increase to 15,000 and we can scale it up if the demand goes up. So this is a very, very exciting thing.

There is a small video that a teaser video that I will just share with you. So this was the last slide and with this, of course, as usual, again, the key contribution for this, the high-speed propulsion system, has been supplied by Vector Technics, an extremely competent team, again. So we actually, from the focus on Zen creating great products, which continues to happen, now we're almost in a position of facilitator, having great set of companies working together and facilitating them to unleash their creativity to serve the needs of our clients, the Indian armed forces and Indian allies. So that is what we have been able to do and very, very excited for the next three to four years. We think the government is moving very



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positively. The new DAP, that is the draft DAP that we saw was very gratifying. The whole focus in the DAP has been IDDM. They have been saying indigenously designed, developed, and manufactured. There was some attempt to say that even foreign tech, if it is bought, should be used on par with the Indian IP developed. So wiser voices prevail and I hope that will not be allowed. Because when you develop a product after four or five years of hard work, that is a capability development. It is not a product. But if you just get somebody after, you know, from a ToT, you say and you try to equate it with IDDM, that is dangerous. Because what will happen is simply if a company has actually developed a capability and is on the verge of commercialization, a foreign counterpart can, what he will say, listen, I want to kill this technology. Take this technology from me and kill that Indian capability. So that next version onwards, Indian Armed Forces will be forced to come to us. So we have to distinguish between foreign design developed and Indian assembled or Indian manufactured even if the IP, the company given the IP, so-called IP transfer has happened, versus indigenously designed, indigenously developed and indigenously manufactured. So Indian manufactured. So I think that we were smart enough to see the folly in that the distinction and we I think government will be doing but I think after 2026 the roost, the complete roost, will be ruled by companies that have designed and developed products and you know I think they may be giving preference so we are hoping that for indigenous private companies. So there are companies that have developed the product along with the DRDO so what are the differences DRDO actually finances the development.

Now compare that with a company that is actually self-funding the innovation and R&D. So we are saying that privately self-funded independent R&D companies, innovation and R&D companies, should actually be treated much, much better than people who are just co-developing with DRDO and that. We call it. So if that happens, that should happen. But anyway, we can distinctly see companies that are putting in their money. That is the ultimate skin in the game and they are saying that, listen, we want to develop this product, we do not want any funding, but if we click, you buy. So the only thing for those companies is quicker orders. If that is cracked by the Indian government, which we think is the main point in 2026, that they are going to really push the IDDM agenda, I think that will change, 2026 will be a hallmark year, not for the actual innovators in defense industry, but also for the Indian Armed Forces, which will unleash the power of Indian industry, not only into India, but all worldwide. So with that, thank you so much and I will hand it over to Mr. Hari Haran for the presentation on the financial results.

**Hari Haran Chalati:**

Thank you, Sir. Good morning and warm welcome to all. Thank you for joining us on our Q4 FY2026 earnings call. Following Mr. Ashok's remarks on the business and the way forward, I will take you through our financial performance for the quarter and for the year ended 31st March 2026. Let me begin with the consolidated performance for the quarter.



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Consolidated revenues for Q4 FY2026 stood at Rs.178.1 crores, broadly in line with Rs.177.8 Crores reported in Q3 FY2026 and lower by 45.2% year-on-year compared to the Rs.325 Crores in Q4 FY2025. As we have indicated through the year, the revenue trajectory in FY2026 has been impacted by the timing of order inflows with the bulk of the orders received over the past several months scheduled for execution from FY2027 onwards. Operational EBITDA for the quarter stood at Rs.51 Crores, which translates to an operational EBITDA margin of 28.6% lower by approximately 900 basis points sequentially and 1390 basis points year-on-year. Profit after tax for the quarter stood at Rs.47.2 Crores. PAT as a percentage of revenues stood at 26.5%. I would like to spend a moment on the five specific factors that have made on the margins profile for this quarter, since the quarter-on-quarter and year-on-year movements are wider than the underlying business run rate would suggest. First, our Q4 revenue base is lower against the prior year comparable with Q4 FY2025, having strong execution resulting in a higher base. Since a significant portion of our cost base, both at the standalone level and across the group, is fixed in nature, this lower revenue base translates into margin compression, particularly on the year-on-year comparison. Second, we recognized year-end performance incentives for certain employees during the quarter. This has resulted in an incremental employee cost of approximately Rs.5 Crores sequentially. Third, we have updated our warranty provisioning percentages, particularly for anti-drone system products supplied in FY2025, based on the actual expense data. With more actual data now available on warranty utilization for these products, we have revised our provisioning estimates upward, resulting in approximately Rs.3.1 crores of incremental warranty expense in the quarter. We incurred approximately Rs.2.7 Crores of post-supply expenses during the quarter to do an export order delivered in FY2026. These costs include on-ground installation support, logistics and engagement of external consultants in the customer's geography. Fifth, R&D expenses for the quarter were higher by approximately Rs.3.3 Crores sequentially. This reflects investments into our future product portfolio, and as we have indicated in earlier interactions, we expect to make higher investments in R&D going forward, which will be reflected in an elevated cost base. Unlike the other four factors mentioned earlier, which are largely one-time or period-specific in nature, this is a structural commitment that we will continue. While these factors are weighed in on the quarterly margins, our long-term guidance of 35% operational EBITDA and 25% PAT margins remain intact.

Now coming to the consolidated performance for the full year. Consolidated revenues for FY2026 stood at Rs.687.7 Crores, lower by 29.4%, as against Rs.973.6 Crores in FY2025. Operational EBITDA for the year stood at Rs.247.2 Crores, at a margin of 35.95%, lower by approximately 240 basis points year-on-year. Profit after tax for the year stood at Rs.217.9 Crores, PAT as a percentage of revenues stood at 31.7%.



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Now coming to the order book, the consolidated order book stood at Rs.1336 Crores as on March 31, 2026. The standalone order book as on March 31, 2026, stood at Rs.1222.6 Crores. Majority of this order book is scheduled for execution from FY2027 onwards and provides clear revenue visibility for the next financial year. Working capital days as of March 31, 2026, is 196 days compared to 194 days at end of Q3 FY2026.

I would like to draw your attention to a notable improvement in our DSO position. Our Days Sales Outstanding at the end of FY2026 stood at approximately 119 days compared to 161 days on December 31, 2025, an improvement of 42 days. The increase in the working capital days is primarily due to higher inventory days, and advances to suppliers, which is required for the projects, which are currently being executed for deliveries in FY2027. The liquidity position of the group continues to remain strong. Cash and bank balances aggregated to Rs.1308 Crores as of March 31, 2026. The group remains debt-free. This is the brief on our financial performance for the quarter and the year. We can now take questions. Thank you.

**Moderator:**

Thank you so much. 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 Participants tab on your screen. We request participants to restrict to two questions and then return to the queue for more questions. To rejoin the queue, you may click the raise hand icon again. We will wait for a few minutes until the question queue assembles. We will take our first question from Mehul Panjwani of 40 Cents. Mehul, please go ahead with your question.

**Mehul Panjwani:**

Thank you so much for the opportunity and elaborate walkthrough of the products. My first question is how much of the 1336 crore order book, which we have will convert into FY2027 revenue and by when will it happen in FY2027?

**Hari Haran Chalat:**

Thank you for your question, Mr. Mehul. Most of the order book that we have of 1336 out of that the product which will be dispatched in FY2027 is around Rs.1000 crores. The balance Rs.326 Crores is basically AMC revenue, and AMC revenue gets spread over a period of the AMC contract. So out of the total order book Rs.1000 Crores is expected to be executed and most of the deliveries is going to happen in Q2 and Q3 of FY2027.

**Mehul Panjwani:**

Okay, so most likely we will recognize the entire order book into revenue.

**Hari Haran Chalat:**

Yes.

**Mehul Panjwani:**

My second question, Sir, is what is the sustainability of new orders in FY2027 across the new and legacy product portfolio?



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**Ashok Atluri:** I think the orders will be accelerated now. We expect both the segment, the simulation segment and the anti-drone segment really increasing the size of orders. As I said that the demand which we were expecting has far exceeded the estimate, the reality is much, much, much larger than what we had expected. So, the sustainability of the order is not only sustainable there is going to be a significant increase in the orders that will be received during this year, FY2027.

**Mehul Panjwani:** Sir, can you give some kind of a ballpark, how much increase will be compared to FY2026?

**Ashok Atluri:** We stick to that prediction of our projection of Rs.4000 Crores turnover in FY2027 and 2028 put together, so, we are very comfortable with those figures now.

**Mehul Panjwani:** Thank you so much and wish you the very best.

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

**Moderator:** Thank you so much. We will take our next question from Darshil Jhaveri of Crown Capital. Darshil, please unmute.

**Darshil Jhaveri:** Good morning, Sir. Thank you so much for taking my question. Sir just a bit in regards to the previous participant question only, so we are sticking to the Rs.4000 crores revenue guidance, by mathematically that means in FY2028 we will be roughly doing around Rs.3000 Crores and for that we would need at least Rs.4000 Crores may be ordered to book by this year is that fair to? So that is what we are targeting this year. Very honestly Sir we have been trying to, I think in previous calls you guided that maybe we will do Rs.1500, Rs.2000 Crores orders in hand. We are near-by that, but it is still to reach Rs.3000 Crores it is still a quite far number, so how confident are we that we will get Rs.3000 crores in this year?

**Ashok Atluri:** What we are saying is cumulatively we will be doing Rs.4,000 Crores, so if you are right in the sense, will we be by the year end, will we be having a Rs.3000 Crore order book to achieve it, even if we were to do 2500 in FY2028 I think that should be the case based on what we have been talking to you, but again what I would like to say is in terms of execution we should be able to execute Rs.4000 Crores cumulatively over both the years. Will the order book stand at Rs.3000 Crores at any point in time I think it is reasonable to expect that the order book should touch Rs.3000 Crores at some point in time.

**Darshil Jhaveri:** Fair enough. I just wanted to know I think we got recently, sorry, I missed the start of the call, I joined in a bit late. I think, a new segment in administrations and everything, so are the guidance including these or that is a complete new segment where revenues can?



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**Ashok Atluri:** It might include part of the sales of the arms licenses that we are expecting, but it will not be very significant to really contribute meaningfully to these figures in the first two years, but I think third year onwards they will start contributing very significantly.

**Darshil Jhaveri:** Just a last question from my end. Right now because a lot of geopolitical systems are requiring a lot of forefront how is our technology catching up with people, if I would compare ourselves to all over the world how would you rate us like maybe top 10, top 15 because why I am asking that because the technology is advancing so much what are the possibilities of export orders because domestic as we know government it is not in our hands like it is going to take some time there is going to be multiple rounds maybe it gets delayed even further but exports is something because there is a lot of requirement due to the multiple wars so how our products play and what can we expect out of exports in the coming years?

**Ashok Atluri:** I think we have figure of factored exports also in this and we personally think that the simulator market is showing a lot of hope, especially with related to drone-related or anti-drone related simulation and of course the naval simulation is big. Thanks to Hormuz Strait, everybody wants to know how to navigate difficult places, how to handle mines, all these things you really cannot practice unless you are on a simulator. How do you handle mines? How do you clean mines, clear mines, etc. So, the simulator market is really becoming, as I said, everyone, if you are perceived as weak you are the next target. So, how do you look strong by having a very, very well-trained force. A simulator is bigger, so this is what we are getting based on the inquiries, incoming inquiries also and of course, in anti-drone system, I really do not want to tell much about it because this was a system that was used effectively in Operation Sindoor and we think that it is a proven product and what we have today is much, much more advanced than what we gave to the armed forces then. It is a highly evolved system, and I think it is definitely in the top three in the world, if not the absolute top. So when we go to the exhibition and we consult other vendors and we talk to the customers, they are actually quite surprised that India actually has the ability to detect and jam from 70 megahertz all the way up to 12 gigahertz that is a huge range for any product. So yes, I think the export market is going to play a major role and we are expecting a lot of export orders.

**Darshil Jhaveri:** By when will we get some order, like our execution mostly going to be Q3, Q4, so can we have order flows before that or do we expect orders to also be back-ended?

**Ashok Atluri:** The pipeline will be very large, but I do not want to touch that, but, I think, as you know, we told last year also that we are expecting some orders in the first quarter, though the orders are very near. I think when they come, your confidence and our confidence will go up about the targets that we have been talking about, but yes, otherwise, the pipeline for



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both the simulators and the anti-drone system is very, very large, it is running into a few thousands of crores.

**Darshil Jhaveri:** That is it from my side. I will join back. Thank you sir.

**Ashok Atluri:** Thanks Darshil.

**Moderator:** Thank you so much. We will take our next question from the line of Amit Dixit of Goldman Sachs. Amit, please unmute your microphone.

**Amit Dixit:** Good morning everyone and thanks for the opportunity Sir. Congratulations for a good order inflow and pipeline that we have. A couple of questions and one from a more conceptual perspective. Now, while we all talk about IDDM, and the focus of government on indigenization, but if you look at the current day, when they have been at a record level this year, but foreign procurement component, and I am not counting Rafale here, Rafale is a different thing altogether, has gone up quite high and it seems the view among armed forces at least as per our channel checks is that they would like to go for instant patch up rather than waiting for indigenized kind of systems that might take their time, so in that context, order inflow or orders in the near term there is just a risk that they might be more towards for the foreign guys so what is your thought on that?

**Ashok Atluri:** I do not know if you have seen Godfather, in the Godfather, Don Vito Corleone tells Michael Corleone that whoever comes with this Barzini proposal is the traitor. Whoever comes with the Barzini proposal and he says, whoever brings that proposal, you will know that he is the traitor and similarly I think in Indian Armed Forces whenever anybody is actually pitching a solution that is especially available in India and likely to be available in India, they are actually traitors, so we need to be very, very careful and by the way the whole political system, the whole bureaucratic system and majority of the armed forces are completely on-line with getting indigenious. One of the questions they say, the pitch they make is, listen, you have to have the best equipment in the world to win a war, but remember, this is the exact situation, today, 20 years back we were in that exact situation that we would always say that we will buy it from outside, we will not develop it in-house and we were completely unprepared for wars. Now the situation is and the country that said, listen, I am not going to buy anything from foreign countries even if a product is 60% of the world's best product I will go with my country's product and which was that country? That was Israel. So they have been on record and where is Israel compared to India today, which have been following the policy of only indigenious equipment? So, I think that sense is there within the government that we need to buy as much Indian as possible, but again we do not have a Rafale, we do not have predator even though I have my own reservations, whether they are the right kind of expenditure at this point in time, but, we do not have them. So,



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going for them with the foreign vendors is all right, but there are a lot of things and again, to your question about the allocation of funds because the very last ticket items those have happened but in the ground I can actually see they are actually saying that we have to buy by Indian IDDM and they are willing to take risks where they say, okay, if they let us give orders to their 10 vendors, they will say, okay three vendors, take these orders. So I think there will be a consolidation phase happening in the next three to five years where some companies will really emerge as winners, the Googles or the Amazons of the defense world that will benefit from focus on indigenous R&D. I do not know whether I answered your question, Amit, but if I have not, please highlight it.

**Amit Dixit:**

No Sir, absolutely and thanks for invoking Godfather. I remember took quite some time. The second question is essentially on the product that you showed in the beginning of the presentation drone quite I would say impressive and given the use case is very, very huge in the Indian market and the specifications that you highlighted, I think they are ahead of your peers, at least what I have studied. So what kind of, I am not talking about one year, two years, I am talking about the use case in particular, that let us say five years, what kind of opportunity do we see in India? Part B of the question is on Naval simulation that you highlighted in the presentation, so what kind of solutions we are developing over there? These are, this is A and B, you can handle these.

**Ashok Atluri:**

So very frankly, with the thing that we are doing, the point here is that while we are developing, there is somebody who is developing a better, Shahed or something like that, but we have a version that will address the future things also as we in the works, in addition to the 400 kilometers interceptor drone that we have created. Now, this intercepted drone has AI vision compute power on the drone, it can go autonomously, go after it. Shahed drones, most of Shahed drones are 180 kilometers, this could even if it misses go back, tap, blast it out of existence, the interceptor drone. So, we think that, if things look as they are, the world is a very, very dynamic place, Amit, but if the things look as, this may be the largest product in our portfolio two years from now, the biggest product in our portfolio, the interceptor drone. Okay, and as we are evolving the future versions of that, this could not only be the Indian Armed Forces, but worldwide this may be the most sought-after product. Again, the kind of research that is going on is on the absolute edge of physics and reality. So if we are able to crack it, this will be absolute, there is nobody in the world will be able to achieve what we have achieved, so I think it is a very, very big and good deal you caught on to it, but the interceptor drone with 400-kilometer speed with AI compute edge, and complete autonomous is going to be a very big thing for us. Naval simulation is really big for us and we are thinking that the Indian government is really, really focused on a lot of people just focus on the two borders, the Chinese border and the Pakistani border, but when you just have a map in front of you and move it around, just about, as you move it upside down, you will see such a huge part of India and it is where we have built everything and



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this is where the actual threats are now being built. So, you know, what are we going to do about it? So, I think the training for that is going to be very, very major and thanks to the choke points that we are seeing, India will have a larger role to play as we go ahead. So, we see in the naval simulation also, we have started putting in effort and started offering complete full-fledged combat naval training centers and there is a lot of positive response in this regard not only in India, but ARI, our 100% subsidiary, has a lot of connections in South America and Europe. So, we are trying to push those solutions through them and I think this is going to be quite a large contributor of revenues as we go ahead.

**Amit Dixit:** Thanks indeed and I think I will connect with you one-on-one because this is like outside the domain of this call within the interest of time, so I will connect with you one-on-one on these exciting products. Thank you and all the best.

**Ashok Atluri:** Thank you so much, but just for the knowledge of everyone, these products are being demonstrated at Prayagraj, they are on display, so you can go and have a look there.

**Moderator:** Thank you. We will take our next question from Dipen Vakil of Phillip Capital. Dipen, please go ahead.

**Dipen Vakil:** Good morning and thank you for this opportunity. Sir, my first question is regarding your arms license that you have received. So, can you tell us the scope for Zen Technologies in this arms manufacturing as to whether we are getting into the ammunition production or whether it is more about the product that you recently just displayed right now, as to what kind of new product we are expecting from this arms and basically from this arms manufacturing license?

**Ashok Atluri:** The thing is that again we have been focused on the anti-drone segment by itself, but what is happening is, we build the remote control weapon station as an expansion of our Hard Kill option offering to the customers, but what we saw was that the product by themselves are having a lot of market, the remote control weapon station, they say, we do not want your anti-drone solution we want this thing, maybe integrated with the radar kind of thing. So those are the kind of solution that some of especially the vendors with limited budgets are asking for. So, an interesting thing was that, which we anticipated much earlier was that the 12.7, 20mm, 30mm especially, this will be the weapon system that will be used to bring down the drones and then we had applied two years back the licenses, which fortunately came in now. In the meantime, we have been developing, doing some hardware work also on creating these weapon systems. So yes, the weapon systems will be launched during this year. Next year, I think the majority of them will be launched, so these are very big markets, but again, as you have probably guessed it, the bigger market in this is the actual ammunition. So the ammunition that we have developed for 30mm, that is the most



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preferred caliber weapon for bringing down the drones. The 30mm is actually a smart ammunition. The airbus capability, when it detects something, some drones decide it, it does the blast and 10 by 10 meters worth of drones anywhere in that radius will be completely destroyed. So I think ammunition is also a very big market, but we are going after smart ammunition, not the dumb ammunition. Again, we are addicted to margins, so we have to have reasonable margins to do this kind of thing. So yes, I think both arms and ammunition will be a big market for us, and we look forward to making a dent in that market.

**Dipen Vakil:**

Got it Sir. Thank you so much for that clarification. So, second question is on the line of the order inflow, the kind of order inflow, so basically, you told us about that Rs.4000 Crores of turnover cumulative in FY2027-2028. So one thing I want to understand is that what is your conversion rate in terms of from order win to execution because if it is something like one year then potentially all those Rs.3000 Crores of order wins has to be won in FY2027, so that is one thing that I want to understand and also what was the bottleneck, which led to the delay in the terms of ordering because as you rightly mentioned, ADS and simulation are right now something, which are widely required and the requirement is only increasing going ahead, so, any indication as to what led to the bottleneck into slow ordering activity from the government side as well?

**Ashok Atluri:**

You asked two questions. One is, when are we going to get the orders? Will it be during the year so that we get a comfort that there will be some significant part of the fourth and core executed during the current year. I think yes short answer is we expect the orders to come in. In fact, this first quarter should be a good quarter, but not later than second quarter, I think you should get some good news in the first quarter, which will give you comfort about the current year and then yes, as we go towards the end of the year, you will get the visibility for the second year also, but again I am a big picture person. I try to look at very large, especially for long term we are keep adding the arms, the ammunition, the interceptor drones, the cybersecurity Suraksha that we are calling, so, all these things are coming in. I think they are going to be big. To your question what are the bottlenecks that cause the orders not to come in at this point of time. Again, we have touched upon this earlier, which is the simulator orders that were supposed to come, they got delayed because of the operation, that has happened the crisis operation Sindoor, the government went slow on the regular procurement and really accelerated and did emergency procurement of the anti-drone systems and all the placed order so those orders did come to us that kind of helped us, build up our order book position but the things that we were prepared for the actual simulators and all that they got a little bumped, a little delayed because of that and we again those are the orders we think that we should be getting very soon.

**Dipen Vakil:**

Got it. Thank you so much for answering my questions and all the best.



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- Moderator:** Thank you. We will take our next question from Vikash Singh of ICICI Securities. Vikash, please go ahead.
- Vikash Singh:** Thank you for the opportunity. Sir, just wanted to understand as we are translating into form a software only to now a mix of a hardware as well, where usually the margin profile as slightly lower, so how should we look at FY2027-28 margins going forward as more and more hardware-related product gets added on?
- Ashok Atluri:** Vikash we are primarily, in all our products and all our simulators, hardware is a major part of it. The only thing is that we used to outsource our hardware. So we used to design, develop and prototype it and then for the actual manufacturing, for the non-critical items, we have always outsourced it. We have never developed it because we would finally assemble it at our location, quality test it and dispatch it to the customer. So hardware has been an essential part of all our product simulator, for example, a tank simulator, the whole of the tank has to be replicated up to millimeter accuracy. So, there is a lot of hardware work. So we continue to have hardware, we have hardware and software is also there. Of course, now developing the software has become much easier. So I think the margins will continue as long as we are actually providing a lot of value to the customer and in the sense when I say value, they will definitely want to be the number one, they need this product. Number one, they want to be the cheapest in the world. So typically, for our product, we have mostly competition from foreign companies. So we ensure that we are the best priced value for money deal for them and at this point in time, I do not see any threat to our margin prediction of 25% PAT and 35% EBITDA margins. I think we are very comfortable with the 35% target and I think for this next couple of years that margin profile should continue.
- Vikash Singh:** Noted Sir and also give us some insight into your working capital since now you are going into an ammunition department as well, where we see that working capital runs into over a year or so how should we look at our capital requirement and the fundings?
- Ashok Atluri:** So, the ammunition and the arms, they are a little away for us. I think the next year will be the earliest year where we will have to start putting the working capital on that, but overall, working capital, I will let Hari answer that question on, how are we managing the working capital and if there is a future increase need for working capital how do we plan to address it? Hari will address that.
- Hari Haran Chalat:** Currently, our working capital is 196 days. Even with the manufacturing license, like Ashok sir had mentioned, the plan is that we will stick to our existing manufacturing model when we outsource most of the production and then be an assembler. Only the critical components that we need for these arms will be manufactured in-house, but in the long term, we still expect our working capital cycle to be around what we have guided of 140 to



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150 days. If there are major orders to be executed, like it is the case right now, where we are seeing inventory buildup for the executions, which happen in the next 12 months, the working capital days will slightly increase, like it is the case right now, but otherwise, it should be comfortably around 140 to 150 days.

- Vikash Singh:** Noted Sir, that is all from my side and all the best for the future.
- Moderator:** Thank you. We will take our next question from Mohit Lohia of DAM Capital. Mohit, please go ahead.
- Mohit Lohia:** Thanks for the opportunity. Sir, if you can just talk about performance at subsidiaries level and also the guidance?
- Hari Haran Chalat:** So subsidiaries currently as you see, the consolidated revenue is Rs.688 Crores, the standalone is 423, so the subsidiaries have contributed Rs.260 Crores in the current year. Majority of that revenue is coming from two of our subsidiaries, which is UTS and ARI. ARI, as you would be aware we acquired end of FY2025, so the full year consolidation happened in this year, so ARI has contributed around Rs.131 Crores to the topline and the PAT margin of ARI is around 30.3%. UTS has contributed the remaining and other subsidiaries have contributed around Rs.10 Crores. UTS PAT margins around 26.5% for the full year. From a guidance point of view, we think in FY2027, UTS and ARI together, they would be doing around Rs.365 Crores of revenue.
- Mohit Lohia:** Sir on margin front?
- Hari Haran Chalat:** Margins will remain the same region Mohit like the current margins which I have mentioned ARI and UTS, ARI will be at around 27% to 30% and UTS will be similarly close to 30%, 31%.
- Mohit Lohia:** Sure, so thank you. That is it from my side.
- Moderator:** Thank you. We have Prerit Jain of Motilal Oswal with this question. Prerit, please unmute your microphone.
- Prerit Jain:** Thank you for the opportunity. My first question is regarding the order book of subsidiaries. So can you please tell us what was the opening and closing order book of both ARI and UTS for FY2026?
- Hari Haran Chalat:** As of 31<sup>st</sup> March 2026, ARI had around Rs.75 Crores in order book and UTS had around Rs.35 Crores in order book. That is the closing order book for the year.



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- Prerit Jain:** What was the opening order book for the same?
- Hari Haran Chalat:** Opening order book for both UTS and ARI together, UTS was 110 and ARI was Rs.90 Crores.
- Prerit Jain:** Okay, got it and what kind of order inflow visibility do we have for these two entities for let us say next two years?
- Hari Haran Chalat:** Prerit, like I mentioned in the earlier conversation, we expect both of them together to do around Rs.365 Crores of revenue in next 12 months that is the target. Beyond that, I think we have guided that in FY2022 expecting ARI to do around Rs.300 crores and UTS between Rs.150 Crores to Rs.200 Crores.
- Prerit Jain:** Okay, got it. That is all from my side. Thank you.
- Moderator:** Thank you so much. We are taking a next question from Harshit Kapadia of Elara Capital. Harshit, please go ahead with your question.
- Harshit Kapadia:** Good morning. Thanks for the opportunity and good order inflows in Q4. I just wanted to check with you Sir. So where are we in terms of stage for the Hard Kill anti-drone system clearance? Have the user trials been done? Are we expecting orders for the Hard Kill as well and secondary, there was the post the operation Sindoor we were expecting the additional orders to come for our anti-drone system have we got this in FY2026 or are we expecting things to come in FY2027?
- Ashok Atluri:** The Hard Kill orders we already received, we have started receiving them. We have got about Rs.40 Crores worth. Earlier also we have supplied with article of L70 we have supplied and now recently also two more orders have been received. So yes, article orders we have started getting in and with respect to after the operation Sindoor because of that the orders were accelerated because then we got some feedback that these are the things that need to be improved and based on the actual inputs that we got and we got orders to both repeat orders as well as orders to upgrade the existing systems. These are the orders which were received very, very fast and the work is being done as we speak on those orders that we have received due to the lessons from operation Sindoor.
- Harshit Kapadia:** At the start of the call, you mentioned that you have already bid out for some few thousand crores of order inflow. First of all, can you quantify a number here and is this all on nomination or all competitive, so how much of is a win rate that we can expect if we can give some clarity in terms of the order pipeline, giving more confidence to investors on



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where are we in terms of, let us say Rs.3000 Crores, Rs.4000 Crores is where we are in terms of bidding pipeline that would be of great help?

**Ashok Atluri:** In terms of bidding, we are at, I would say, probably in the region of about Rs.1500 Crores or so, but the other, there may be single vendor tenders and all that when we add that up, that could be another couple of thousand crores. So, altogether, it is much, much larger where there may be regular tenders may be floated, which may take a longer time. something like 18 months, but overall the pipeline is running into few thousands of crores.

**Harshit Kapadia:** How much of the split will be between counter-drone system and simulator within the pipeline, Sir?

**Ashok Atluri:** We think, when we look at the split at this point in time, it does look favorable to anti-drone system, probably 55-45 kind of thing.

**Harshit Kapadia:** Lastly on the ammunition part, so you will develop a product, it will go for testing and then you will start supplying, is that how the process would be and it will take how long according to you for this 30mm ammunition that you plan to do?

**Ashok Atluri:** Next year we should have started manufacturing and supplying it.

**Harshit Kapadia:** Okay, so you do not require a lot of certifications or those kind of approvals for this particular?

**Ashok Atluri:** So we are actually as we speak, the testing is going on the certifying agency is also in the loop about it. So I think by next financial year definitely we should be started manufacturing it. You are right, the nightmare, somebody did say that, it is much more complex than you can imagine, but we think that two-year period should be sufficient for us to get everything in order.

**Harshit Kapadia:** Lastly, any acquisition that you plan to do on the simulator side, maybe to complete the portfolio of simulator, is there any one thing on cards for this financial year?

**Ashok Atluri:** Harshit, we have identified, just the background is that, we have been anti-diversification for almost 25 years of our life we were doing nothing but we are just doing army simulators, but then we got into this field because there was everybody was talking about drones, but nobody sensed the danger the drones represent. So, we had a four to five year lead over competing companies and when we started doing the R&D. So yes, I think we have the thing, but somewhere in the last couple of years, we have started thinking that we should focus on Pareto Technologies. Technologies, three or four years from now will become very important and those will determine, Pareto is basically 20% of the technology



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that determines 80% of the war. For example, in the Israel-Iran war, we know that the Shahed was the winner, absolutely and as you know that this is recursive, the Pareto is recursive, the 20% of 20% is 0.8% can determine the result of 80 of 80, which is 51.2%. So, this actually happens, so we are trying to look at what are those key technologies, which we can actually have a headstart and try to get into. So in addition to not only simulator but we are looking at those companies. Again, we can supply the capital, but we do not have the bandwidth or the technical intelligence to do the thing and one thing we do, because we are so familiar with the whole ecosystem, we can guide them in the right way by putting in the resources and typically what we have seen in the smaller companies is they are dispersed over too many opportunities and they are existing so guys are killing them saying what is going to the next quarter turnover. Zen comes in there and he says, listen, let us stop all the 15 projects we are doing. The 16th one looks interesting. Let us put in all our resources and create world-class technology there. That is where we are trying to, we are looking at. So to your question, a long question, short answer is that we are looking at acquisitions. We are looking in both simulation, anti-drone systems, but some Pareto technologies for the future, if we find is very important we will be acquiring those companies.

**Harshit Kapadia:** Okay, sir. Wishing you all the best, sir. Thank you.

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

**Moderator:** Thank you so much. Ladies and gentlemen, due to paucity of time, we will take that as 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 and again one of the favorite songs of yesteryears was Aye Mere Watan Ke Logo Tum khoob karo kurbani by Lata Mangeshkar, so that is actually not my favorite song. I do not like that song. In a way, why should my soldiers give Qurbani? Why should my soldiers die? whenever even a single soldier dies, a part of us dies, part of me dies I think all of us feel that. Why should we let our soldiers die? So I do not like the song. In the sense, Qurbani if somebody has to give, let the opposite sides give the Qurbani. Why should we become the Qurbani? So, I do not like that, even once a soldier dies. So, how do we enable a complete different system where there is less of human life? How do we automate it? How do you create more robots? How do you automate the thing? It is what I am saying, if Shahed comes to our border, our responsibility and promise to Shahed is that we will make it Shaheed. So, I think that is the kind of confidence, whether it is a soldier or a drone, which should not enter our system and with minimum, minimum, minimum damage at our side. So with that objective in mind, with that target in mind, I would like to thank you so much for staying with Zen as investors and I think long-term study is very, very strong and very, very intact. I look forward to more interactions with you and again, through the key



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investors, please come and see what is happening in Hyderabad. Interact with our CFO, Hari and have a look at what is happening in the cutting edge of reality. Thank you so much.

**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.