



## ZEN TECHNOLOGIES LIMITED

Certified ISO 9001:2015, ISO 27001:2013, ISO 14001:2015  
**Regd. Office :** B-42, Industrial Estate, Sanathnagar  
Hyderabad – 500 018, Telangana, India  
Phone: +91 40 23813281, 23811205, 23811206  
Fax No: +91 40 23813694, 23814894  
Email: info@zentechnologies.com Website: www.zen.in  
Corporate Identity Number : L72200TG1993PLC015939

Date: 03 Aug 2019

To  
**BSE Limited**  
**Phiroze Jeejeebhoy Towers**  
**Dalal Street**  
**Mumbai- 400001**  
Through: BSE Listing Centre

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

Dear Sir/Madam,

- Sub: 1. Unaudited Financial Results (Standalone & Consolidated) for the First Quarter ended 30 June 2019.**  
**2. Outcome of the Board Meeting held on 03 Aug 2019.**

**Ref: Symbol/Security ID: ZENTEC; Security Code: 533339; Series: EQ**

This is to inform you that the Board of Directors of the Company at its meeting held today i.e., on Saturday, 03 Aug 2019, inter-alia, considered and approved the following:-

1. Unaudited financial results, both standalone and consolidated, for the first quarter ended 30 June 2019. The said financial result along with the Limited Review Report given by the Statutory Auditors pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, is enclosed as **Annexure- I.**

2. Appointment of Mr. Hansraj Singh Rajput, as the Company Secretary of the Company w.e.f. 03 August 2019. Further, the brief profile of Mr. Hansraj Singh Rajput is enclosed herewith as follows: -

*Mr. Hansraj Singh Rajput is a qualified Company Secretary, L.L.B. and a Post Graduate Diploma in Cyber Laws from NALSAR University of Law with a post qualification experience of 5+ years in the areas of drafting, Corporate and allied laws and legal.*

*He is based out of Hyderabad and his last assignment was with Gati limited, a Global logistics service provider as the acting Group Company Secretary and Compliance Officer for the Gati Group and was handling and responsible for the overall corporate compliance framework for the group and additionally involved into Private Equity, Strategic Investments, Corporate Restructuring and other Specific Assignments.*

3. Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board approved and adopted the amended policy on determination of materiality and has further authorized certain officials for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the stock exchanges under this regulation. The amended policy is also hosted on the website of the company.

*Ashok*

**Works :** Plot 36, Hardware Park, Near Shamshabad International Airport, Hyderabad - 501 510, Telangana, India



As required under Regulation 30(5) of the said regulations, the contact details of the Key Managerial Personnel responsible for determining materiality of an event or information is given hereunder, Further any two of the following jointly, one of whom shall be an Executive Director, are authorized persons for the purpose of determining materiality of an event or information and any one of the following are severally authorized for making disclosures of such material event or information to the stock exchanges –

1. Mr. Ashok Atluri  
Chairman & Managing Director  
Zen Technologies Limited  
B-42, Industrial Estate,  
Sanathnagar, 500018, Hyd-TG  
Email ID: info@zentechnologies.com  
Phone: +91 40 23814894

2. Mr. M Ravi Kumar  
Whole-Time Director  
Zen Technologies Limited  
B-42, Industrial Estate,  
Sanathnagar, 500018, Hyd-TG  
Email ID: info@zentechnologies.com  
Phone: +91 40 23814894

3. Company Secretary & Compliance Officer  
Zen Technologies Limited  
B-42, Industrial Estate,  
Sanathnagar, 500018, Hyd-TG  
Email ID: cosec@zentechnologies.com  
Phone: +91 40 23814894

4. Chief Financial Officer  
Zen Technologies Limited  
B-42, Industrial Estate,  
Sanathnagar, 500018, Hyd-TG  
Email ID: cosec@zentechnologies.com  
Phone: +91 40 23814894

The above information is also available on the website of the Company: [www.zentechnologies.com](http://www.zentechnologies.com).

The meeting of Board of Directors was commenced at 11.30 a.m. and concluded at 2:45 p.m.

This is for your kind information and records.

Thanking You.

Yours sincerely,  
For Zen Technologies Limited

  
Ashok Atluri  
Chairman and Managing Director  
DIN: 00056050



Annexure-I

**Zen Technologies Limited**  
**B -42 Industrial Estate, Sanathnagar Hyderabad - 500 018, Telangana, India**  
**CIN:L72200TG1993PLC015939**

(Rs.in Lakhs)

Un-Audited Standalone financial results for the quarter ended 30th June 2019					
SI No	Particulars	Standalone			
		Quarter ended		Year ended	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Un-audited)	(Audited)	(Un-audited)	(Audited)
1	Income				
	a) Revenue from Operations	4,878.72	4,466.66	609.15	9,222.06
	<b>Total Revenue from operations</b>	<b>4,878.72</b>	<b>4,466.66</b>	<b>609.15</b>	<b>9,222.06</b>
	b) Other Income	27.50	26.32	104.76	310.78
	<b>Total Income</b>	<b>4,906.22</b>	<b>4,492.98</b>	<b>713.91</b>	<b>9,532.84</b>
2	Expenses				
	a) Cost of materials Consumed	1,345.25	1,930.63	220.79	3,725.61
	b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	150.67	(248.21)	(196.35)	(1,160.99)
	(c) Manufacturing Expenses	169.01	160.56	62.59	501.30
	(d) Employee benefits expense	355.44	453.07	357.02	1,566.42
	(e) Finance costs	100.55	170.62	59.31	478.88
	(f) Depreciation and amortization expense	93.13	95.27	92.51	376.81
	(g) Other expenses	420.44	963.25	495.57	2,335.21
	<b>Total Expenses (a to g)</b>	<b>2,634.49</b>	<b>3,525.18</b>	<b>1,091.44</b>	<b>7,823.23</b>
3	<b>Profit before tax (1-2)</b>	<b>2,271.73</b>	<b>967.80</b>	<b>(377.53)</b>	<b>1,709.61</b>
4	Tax expenses				
	- Income Tax	489.53	229.09		368.40
	- Deferred Tax	97.16	(616.68)	(45.83)	(582.50)
5	<b>Net Profit for the period (3-4)</b>	<b>1,685.04</b>	<b>1,355.39</b>	<b>(331.70)</b>	<b>1,923.71</b>
6	Other comprehensive income				
	a) (i) Items that will not be reclassified to profit or loss	-	(18.13)	-	(18.13)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	b) (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	<b>Total other comprehensive income</b>	<b>-</b>	<b>(18.13)</b>	<b>-</b>	<b>(18.13)</b>
7	<b>Total Comprehensive income (5 +6)</b>	<b>1,685.04</b>	<b>1,337.26</b>	<b>(331.70)</b>	<b>1,905.58</b>
8	Paid-up Equity Share Capital (Rs.1/- per Equity Share)	771.60	771.60	771.60	771.60
9	Other Equity				13,329.47
10	Earnings per share (Face Value of Rs.1/- each)				
	(a) Basic (In Rs.)	2.18	1.76	(0.43)	2.49
	(b) Diluted (In Rs.)	2.18	1.76	(0.43)	2.49



*[Signature]*



**Notes to Standalone Un-Audited Financial Results for the Quarter ending 30th June 2019.**

1	The Financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified the Companies (Indian Accounting Standard) rules 2015 as amended by the Companies (Indian Accounting Standard) rules 2016.
2	The aforementioned results are reviewed by the Audit Committee and subsequently taken on record by the board of directors at its meeting held on 3rd August 2019.
3	The figures for previous periods/ Year have been Recast and Regrouped wherever necessary
4	The entire operations of the Company relate to only one segment viz., Training & Simulation.
5	The Company acquired 2,26,888 shares of Rs. 10/- each fully paid-up aggregating to 40% of total shares of UTS during previous year and the company had acquired another 11% of shares of M/s Unistring Tech Solutions Private Limited on 8th May 2019, and thereby making the total investment in M/s Unistring Tech Solutions Private Limited at 51% of the total shareholding which makes UTS as subsidiary of M/s Zen Technologies Limited with effect from 8th May 2019.
6	For the Quarter ended 30th June 2019, the company has invested in M/s Zen Technologies USA Inc (a wholly owned Subsidiary) an amount of Rs. 6.66 Crs.
7	The company in the year 2013 availed a loan for Rs 11.60 Crs from TDB, Government of India towards Development of UAV Simulator. Ashok Aturi, promoter, had pledged 1.50 Crore equity shares in favour of TDB. Only the last installment of Rs. 1.29 Crs due in October, 2019, is pending. Upon payment, the pledge will get completely released. Except for this pledge, no other shares are pledged by the promoters.
8	From the equipment order of Rs. 160 Crs, about Rs 110 Crs have been executed till Q1 FY 20. The rest of the order is expected to be executed in Q2. The value of the orders on hand as at 03rd August 2019 is about Rs 222.45 Crs.
9	The Company on April 1, 2018 while evaluating the impact of Ind AS 115 in respect of certain contracts with customers had reversed Rs. 7.15 Crs of service income that was accrued and recognised during FY 2017-18 on account of certain pending procedural obligations. As at 31.03.2019, the Company has now evaluated and recognized revenue for such contracts with customers based on satisfaction of performance obligations under the contracts in accordance with Ind AS-115. In light of this, the position taken on 1 April 2018 has been revised. Accordingly the revenue reported for corresponding quarter ended 30.06.2018 was revised based on the evaluation of performance obligation of the company. The net impact and revised position is tabulated as under

Particulars	(Rs. In Lakhs)	
	Quarter ended 30th June 2018	Quarter ended 31st March 2019
Revenue for performance obligations satisfied in FY 2018-19	341.41	131.41
Revenue relating to performance obligations satisfied in FY 2017-18 reported in FY 2018-19 now de-recognized	261.07	15.67
<b>Impact of reported revenue</b>	<b>80.34</b>	<b>115.74</b>

Place : Hyderabad  
Date : 03 August, 2019.



For and on behalf of the Board

*Ashok Aturi*  
Ashok Aturi  
Chairman and Managing Director  
DIN:00056050



**RAMASAMY KOTESWARA RAO AND CO LLP**  
CHARTERED ACCOUNTANTS

**Independent Auditor's Review Report on Unaudited Quarterly Standalone Financial Results of Zen Technologies Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors,  
M/s Zen Technologies Limited

We have reviewed the accompanying statement of unaudited Standalone financial results of M/S. **Zen Technologies Limited** ('the company') for the quarter ended 30<sup>th</sup> June, 2019 ('the statement'), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 Dated 5<sup>th</sup> July, 2016.

This statement which is the responsibility of the Company's Management and approved by the Board of Directors/Committee of Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 Interim financial reporting (Ind AS 34), Prescribed under section 133 of the Companies Act 2013, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, Prepared in accordance with the aforesaid Indian accounting standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 Dated 5<sup>th</sup> July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

We have reviewed the financial results and other information presented in accordance with IND AS for the quarter ended 30<sup>th</sup> June, 2019 and have been presented solely on the basis of information compiled by the management.

For Ramasamy Koteswara Rao and Co LLP  
Chartered Accountants  
FRN.No.010396S/S200084



*M. Telluri*

(Murali Krishna Reddy Telluri)  
Partner

Membership No: 223022

UDIN: 19223022AAAAFM8508

Place: Hyderabad  
Date: 03<sup>rd</sup> August, 2019

**Zen Technologies Limited**  
**B -42 Industrial Estate, Sanathnagar Hyderabad - 500 018, Telangana, India**  
**CIN:L72200TG1993PLC015939**

( Rs.in Lakhs)

<b>Un-Audited Consolidated financial results for the quarter ended 30th June 2019</b>					
Sl No	Particulars	Consolidated			
		Quarter ended		Year ended	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Un-audited)	(Audited)	(Un-audited)	(Audited)
1	<b>Income</b>				
	a) Revenue from Operations	4,892.22	4,466.66	609.15	9,222.06
	<b>Total Revenue from operations</b>	4,892.22	4,466.66	609.15	9,222.06
	b) Other Income	27.50	11.68	106.86	310.78
	<b>Total Income</b>	<b>4,919.72</b>	<b>4,478.35</b>	<b>716.01</b>	<b>9,532.85</b>
2	<b>Expenses</b>				
	a) Cost of materials Consumed	1,368.32	1,930.62	220.79	3,725.61
	b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	139.88	(248.21)	(196.35)	(1,160.99)
	(c) Manufacturing Expenses	169.01	160.56	62.59	501.30
	(d) Employee benefits expense	424.02	428.80	407.68	1,661.45
	(e) Finance costs	104.49	171.89	59.51	481.12
	(f) Depreciation and amortization expense	96.51	97.51	92.52	379.69
	(g) Other expenses	477.26	1,085.24	521.53	2,827.43
	<b>Total Expenses (a to g)</b>	<b>2,779.50</b>	<b>3,626.42</b>	<b>1,168.27</b>	<b>8,415.61</b>
3	<b>Profit before tax before profit or loss from investment in Associate (1-2)</b>	<b>2,140.22</b>	<b>851.93</b>	<b>(452.26)</b>	<b>1,117.23</b>
4	Share of Profit/(loss) from an Associate	(8.51)	26.32		0.35
5	<b>Profit /(Loss) Before Tax (3+4)</b>	<b>2,131.71</b>	<b>878.25</b>	<b>(452.26)</b>	<b>1,117.59</b>
6	<b>Tax expenses</b>				
	- Income Tax	489.53	229.09		368.40
	- Deferred Tax	85.71	(616.68)	(45.83)	(582.50)
7	<b>Net Profit for the period (5-6)</b>	<b>1,556.47</b>	<b>1,265.84</b>	<b>(406.43)</b>	<b>1,331.69</b>
8	<b>Attributable to:</b>				
	Shareholders of the Company	1,572.33	1,265.84	(406.43)	1,331.69
	Non Controlling interest	(15.86)	-	-	-
8	<b>Other comprehensive income</b>				
	a) (i) Items that will not be reclassified to profit or loss	-	(16.35)	-	(16.35)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	b) (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	<b>Total other comprehensive income</b>	<b>-</b>	<b>(16.35)</b>	<b>-</b>	<b>(16.35)</b>
9	<b>Total Comprehensive income (7 +8)</b>	<b>1,556.47</b>	<b>1,249.49</b>	<b>(406.43)</b>	<b>1,315.34</b>
10	<b>Attributable to:</b>				
	Shareholders of the Company	1,572.33	1,249.49	(406.43)	1,315.34
	Non Controlling interest	(15.86)	-	-	-
11	<b>Paid-up Equity Share Capital</b> (Rs.1/- per Equity Share)	771.60	771.60	771.60	771.60
12	<b>Other Equity</b>				12,739.24
13	<b>Earnings per share</b> (Face Value of Rs.1/- each)				
	(a) Basic (In Rs.)	2.04	1.64	(0.53)	1.73
	(b) Diluted (In Rs.)	2.04	1.64	(0.53)	1.73



*Ashish*





**Notes to Consolidated Un-Audited Financial Results for the Quarter ending 30th June 2019.**

1	The Financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified the Companies (Indian Accounting Standard) rules 2015 as amended by the Companies (Indian Accounting Standard) rules 2016.
2	The aforementioned results are reviewed by the Audit Committee and subsequently taken on record by the board of directors at its meeting held on 3rd August 2019.
3	The figures for previous periods/ Year have been Recast and Regrouped wherever necessary
4	The entire operations of the Company relate to only one segment viz., Training & Simulation.
5	The Company acquired 2,26,888 shares of Rs. 10/- each fully paid-up aggregating to 40% of total shares of UTS during previous year and the company had acquired another 11% of shares of M/s Unistring Tech Solutions Private Limited on 8th May 2019, and thereby making the total investment in M/s Unistring Tech Solutions Private Limited at 51% of the total shareholding which makes UTS as subsidiary of M/s Zen Technologies limited with effect from 8th May 2019.
6	The company has two subsidiaries i.e., One Foreign Wholly-Owned Subsidiary viz., Zen Technologies USA Inc., and one Indian Subsidiary, Unistring Tech Solutions Private Limited which are included in the consolidation
7	For the Quarter ended 30th June 2019, the company has invested in M/s Zen Technologies USA Inc (a wholly owned Subsidiary) an amount of Rs. 6.66 Crs.
8	The company in the year 2013 availed a loan for Rs 11.60 Crs from TDB, Government of India towards Development of UAV Simulator. Ashok Atluri, promoter, had pledged 1.50 Crore equity shares in favour of TDB. Only the last installment of Rs. 1.29 Crs due in October, 2019, is pending. Upon payment, the pledge will get completely released. Except for this pledge, no other shares are pledged by the promoters
9	From the equipment order of Rs. 160 Crs, about Rs 110 Crs have been executed till Q1 FY 20. The rest of the order is expected to be executed in Q2. The value of the orders on hand as at 03rd August 2019 is about Rs 222.45 Crs.
10	The Company on April 1, 2018 while evaluating the impact of Ind AS 115 in respect of certain contracts with customers had reversed Rs 7.15 Crs of service income that was accrued and recognised during FY 2017-18 on account of certain pending procedural obligations. As at 31.03.2019, the Company has now evaluated and recognized revenue for such contracts with customers based on satisfaction of performance obligations under the contracts in accordance with Ind AS-115. In light of this, the position taken on 1 April 2018 has been revised. Accordingly, the revenue reported for corresponding quarter ended 30.06.2018 was revised based on the evaluation of performance obligation of the company. The net impact and revised position is tabulated as under

Particulars	(Rs. in Lakhs)	
	Quarter ended 30th June 2018	Quarter ended 31st March 2019
Revenue for performance obligations satisfied in FY 2018-19	341.41	131.41
Revenue relating to performance obligations satisfied in FY 2017-18 reported in FY 2018-19 now de-recognized	261.07	15.67
<b>Impact of reported revenue</b>	<b>80.34</b>	<b>115.74</b>

Place : Hyderabad  
Date : 03 August, 2019.

For and on behalf of the Board  
  
Ashok Atluri  
Chairman and Managing Director  
DIN: 00056050





**Independent Auditor's Review Report on Unaudited Quarterly Consolidated Financial Results of Zen Technologies Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors,  
M/s Zen Technologies Limited

We have reviewed the accompanying statement of unaudited Consolidated financial results of M/s **Zen Technologies Limited** ('the Holding company') and its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended 30th June, 2019 ('the statement'), being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 Dated 5<sup>th</sup> July, 2016. This statement is the responsibility of the Holding Company's Management and approved by the Board of Directors/Committee of Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 Interim financial reporting (Ind AS 34), Prescribed under section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. The review is limited primarily to inquiries of Holding company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

The statement includes the results of the following entities:

1. Zen Technologies USA Inc, USA (Wholly Owned Subsidiary)
2. Unistring Tech Solutions Private Limited., India, (Subsidiary)

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, Prepared in accordance with the aforesaid Indian accounting standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 Dated 5<sup>th</sup> July 2016. Including the manner in which it is to be disclosed, or that it contains any material misstatement.





We did not audit the financial statements of the subsidiaries included in the consolidated financial results, whose financial statements reflects total revenues of Rs 13,50,000/- for the period ended 30<sup>th</sup> June,2019 and total net loss of Rs 1,24,15,832/- and the other comprehensive income of Rs. Nil /- for the quarter ended on the date , as considered in the consolidated financial results. These financial statements results have been have been furnished to us by the management and our opinion on the consolidated financial results , in so far it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Place: Hyderabad  
Date: 03<sup>rd</sup> August, 2019



For Ramasamy Koteswara Rao and Co LLP  
Chartered Accountants  
FRN.No.010396S/S200084

*M. K. Reddy*  
(Murali Krishna Reddy Telluri)  
Partner

Membership No: 223022  
UDIN: 19223022AAAAFM8508