being there...

ZEN TECHNOLOGIES LIMITED

Certified CMMI Dev/5, AS9100D, ISO 27001, ISO 14001
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: 10 November 2018

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

To
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on 10 November 2018

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

The Board in its meeting held on 10 November 2018, inter-alia, considered and approved the following:

1. Approved Un-audited Financial Results, both Standalone and Consolidated, for the second quarter and half year ended 30 September 2018, as recommended by the Audit Committee and reviewed by the Statutory Auditors, along with the statement of Assets and Liabilities as on 30 September 2018.

2. A certified copy of Limited Review Report of financials for the Second Quarter ended 30 September 2018.

Further, the Board took note of the following in the aforesaid meeting:

1. The Board was informed that the Company has started dispatches with respect to the large order from Indian Security Force.

The above information is also available on the website of the Company: www.zentechnologies.com.

The meeting commenced at 11.15 A.M. and ended at 12.50 P.M.

This is for your information and record.

Thanking you
Yours sincerely,
For **Zen Technologies Limited**

M Satish Choudhury
Company Secretary

ZEN TECHNOLOGIES LIMITED being there...

ZEN TECHNOLOGIES LIMITED

B -42 Industrial Estate, Sanathnagar Hyderabad - 500 018, Telangana, India

UN-AUDITED STANDALONE FINANCIAL RESULTS FOR THE 2ND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2018

(₹ In lacs Except for EPS)

Sl No	PARTICULARS	3 Months ended	Preceding 3 Months ended	Corresponding 3 Months ended in the Previous year	6 Months ended	Corresponding 6 Months ended in the Previous year	Year ended
		30 September 2018 (Unaudited)	30 June 2018 (Unaudited)	30 September 2017 (Unaudited)	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)	31 March 2018 (Audited)
I	Revenue from operations	938.87	528.80	823.38	1,467.67	1,670.26	3,896.33
II	Other Income	148.00	104.76	45.94	252.76	90.06	440.10
III	**Total Revenue (I+II)**	1,086.87	633.56	869.32	1,720.43	1,760.32	4,336.43
IV	**Expenses**						
	(a) Cost of materials consumed	565.92	220.79	94.17	786.71	320.31	482.97
	(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	(536.57)	(196.35)	(22.90)	(732.92)	(7.47)	(125.59)
	(c) Manufacturing expenses	130.58	62.59	116.84	193.17	170.85	307.60
	(d) Employee benefits expense	363.87	357.02	359.15	720.89	724.93	1,549.08
	(e) Finance costs	97.37	59.31	36.02	156.68	62.68	240.76
	(f) Depreciation and amortisation expense	94.48	92.51	71.73	186.99	138.70	282.39
	(g) Other expenses	415.72	495.57	429.20	911.29	764.78	1,868.00
	Total expenses	1,131.37	1,091.44	1,084.21	2,222.81	2,174.78	4,605.23
V	**Profit/(Loss) before exceptional and extraordinary items (III - IV)**	(44.50)	(457.88)	(214.89)	(502.38)	(414.46)	(268.80)
VI	Exceptional Items	-	-	-	-	-	-
VII	**Profit /(Loss) before extra-ordinary items and tax (V - VI)**	(44.50)	(457.88)	(214.89)	(502.38)	(414.46)	(268.80)
VIII	Extraordinary Items	-	-	-	-	-	-
IX	**Profit / (Loss) before Tax (VII - VIII)**	(44.50)	(457.88)	(214.89)	(502.38)	(414.46)	(268.80)
X	Tax expense						
	(1) Current tax	-	-	-	-	-	-
	(2) Prior period tax	-	-	-	-	-	-
	(3) Deferred tax	69.78	(45.83)	-	23.95	-	(229.89)
	Total Tax	69.78	(45.83)	-	23.95	-	(229.89)
XI	**Net Profit/(Loss) from continuing operations (IX - X)**	(114.28)	(412.05)	(214.89)	(526.33)	(414.46)	(38.90)
XII	Profit / (Loss) from discontinuing operations	-	-	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-	-	-
XIV	**Net Profit /(Loss) from discontinuing operations (XII - XIII)**	-	-	-	-	-	-
XV	**Net Profit /(Loss) for the period (XI + XIV)**	(114.28)	(412.05)	(214.89)	(526.33)	(414.46)	(38.90)
XVI	**Other Comprehensive Income**	-	-	-	-	-	59.71
A	(i) Items that will not be reclassified to profit or loss						59.71
	(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	-	-	-	-	-	-
XVII	**Total Comprehensive Income for the period (XV+XVI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**	(114.28)	(412.05)	(214.89)	(526.33)	(414.46)	20.80
XVIII	Paid-up equity share capital (Face Value Rs 1/- per Share)	771.60	771.60	771.60	771.60	771.60	771.60
XIX	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	11,188.92
XX	Earning Per Share (EPS)						
A	Before extraordinary items (of Rs.1/- each) (not annualised)						
	(a) Basic (In Rs..)	(0.15)	(0.53)	(0.28)	(0.68)	(0.54)	0.03
	(b) Diluted (n Rs.)	(0.15)	(0.53)	(0.28)	(0.68)	(0.54)	0.03
B	After extraordinary items (of Rs.1/- each) (not annualised)						
	(a) Basic (In Rs.)	(0.15)	(0.53)	(0.28)	(0.68)	(0.54)	0.03
	(b) Diluted (In Rs..)	(0.15)	(0.53)	(0.28)	(0.68)	(0.54)	0.03

Notes:

1 These results have been prepared in accordance with the ind AS notified under the Companies (indian Accounting Standards) Rules 2015.The above results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on 10th November 2018. The Statutory Auditors have carried out a Limited Review of the results for the Quarter and Half Year ended September 30, 2018.

2 The figures for previous periods/year have been recast and regrouped wherever necessary.

3 The Company operates in only one segment, i.e. Training and Simulation.

4 Ind AS 115 - Revenue from Training simulator services with customers is mandatory for accounting periods commencing on April 1, 2018. The Company has elected to apply the cumulative catch-up method on the date of transition. Accordingly, the revised standard is applied to contracts that were in progress as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is not material to the financial statements.

5 During the Half Year ended September 30,2018 Company has invested in M/s. Zen Technologies USA Inc (wholly owned Subsidiary) of Rs. 307.31 lacs

6 The Company subscribed 206,262 (partly paid Rs. 6/- each face value Rs. 10/-) equity shares of Unistring Tech Solutions Private Limited, by investing Rs 3 Crores on 09 October 2018

7 The value of orders on hand as on 10 November, 2018,is about Rs. 341.99 crores.

For and on behalf of the Board

Ashok Atluri
Chairman and Managing Director
DIN:00056050

Place: Hyderabad
Date: 10 November,2018

Chartered Accountants

ZEN TECHNOLOGIES LIMITED being there...

M/s ZEN TECHNOLOGIES LIMITED
CIN:L72200TG1993PLC015939
B -42 Industrial Estate, Sanathnagar Hyderabad - 500 018, Telangana, India

Balance Sheet as at 30 September 2018

(₹.in lacs)

S.No	Particulars	As at 30.09.18	As at 31.03.18
I	**ASSETS**		
	Non-current assets		
	(a) Property plant and Equipment	6,372.69	6,464.13
	(b) Intangible assets	15.75	22.93
	(c) Capital Work Inprogress		-
	(d) Financial assets		
	(i) Investments	531.53	163.77
	(ii)Other financial assets	265.68	233.31
	(e) Income Tax -Assets(Net)	107.27	82.71
	(f) Deferred Tax Assets(Net)	205.94	229.89
	(g) Other non current assets	148.39	172.69
	Total Non Current Assets	**7,647.25**	**7,369.43**
II	**Current assets**		
	(a) Inventories	3,443.19	1,155.47
	(b) Financial assets		
	(i)Trade receivables	2,110.18	2,261.13
	(ii)Cash and cash equivalent	471.83	1,179.67
	(iii) Bank Balances Other Than Cash and Cash Equivalent	1,871.66	3,121.66
	(iv) Other financial assets	85.28	784.55
	(c) Other current assets	1,432.79	605.30
	Total Current Assets	**9,414.93**	**9,107.78**
	Total Assets (I + II)	**17,062.18**	**16,477.21**
I	**EQUITY AND LIABILITIES**		
	Equity		
	(a) Equity Share Capital	771.60	771.60
	(b) Other Equity	9,736.43	11,070.42
	Total Equity	**10,508.03**	**11,842.02**
II	**Liabilities**		
	Non-current liabilities		
	(a) Financial Liabilities		
	Borrowings	156.99	327.86
	(b) Provisions	131.29	129.94
	Total Non Current Liabilities	**288.28**	**457.80**
	Current liabilities		
	(a) Financial Liabilities		
	(i)Trade payables	158.99	346.75
	(ii)Other Financial liabilities	3,260.92	885.32
	(b) Other current liabilities	2,845.96	2,945.32
	Total Current Liabilities	**6,265.87**	**4,177.39**
	Total Equity and Liabilities (I + II)	**17,062.18**	**16,477.21**

SEKHAR & CO. Chartered Accountants 133/4, R.P. ROAD, SEC'BAD.

ZEN TECHNOLOGIES LIMITED being there.

SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :
K.C. Devdas, B.Com., F.C.A
C. Amarnath, B.Com, L.L.B., F.C.A , DISA (ICA)
G. Ganesh, B.Com., F.C.A., DISA (ICA)
Mrudulatha Devdas, B.Com., A.C.A

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

To

The Board of Directors of

Zen Technologies Limited

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Zen Technologies Limited** ("the Company"), for the quarter ended September 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down by Indian Accounting Standard 34 "Interim Financial reporting" ("Ind AS 34") prescribed under Section 133 of The Companies Act, 2013 read with the 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.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review if 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 statement is free from material misstatement. A review is limited primarily to the inquiry of the Parent personnel and analytical procedures applied to financial data and thus provide less assurance than audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

SEKHAR & CO. Chartered Accountants 133/4, R.P. ROAD, SEC'BAD.

Office : 133/4, Rashtrapathi Road, Secunderabad - 500 003. ☎ : 040-27533391, 27536342, 27543132
Email : sekharandco.ca@gmail.com

4. Based on our review conducted as stated above nothing has come to our attention that causes us to believe that the accompanying Statement, 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 July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Secunderabad

Date: November 10 , 2018

For Sekhar & co

Chartered Accountants

Firm Reg No. 003695S

K. C. Devdas

Partner

M No. 014966

SEKHAR & CO. Chartered Accountants 133/4, R.P. ROAD, SEC'BAD.

ZEN TECHNOLOGIES LIMITED

B -42 Industrial Estate, Sanathnagar Hyderabad - 500 018, Telangana, India

UN-AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE 2ND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2018

(In lacs Except for EPS)

Sl No	PARTICULARS	3 Months ended	Preceding 3 Months ended	Corresponding 3 Months ended in the Previous year	6 Months ended	Corresponding 6 Months ended in the Previous year	Year ended
		30 September 2018 (Unaudited)	30 June 2018 (Unaudited)	30 September 2017 (Unaudited)	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)	31 March 2018 (Audited)
I	Revenue from operations	938.87	528.80	-	1,467.67	-	-
II	Other Income	159.69	106.86	-	266.55	-	-
III	**Total Revenue (I+II)**	1,098.56	635.66	-	1,734.22	-	-
IV	**Expenses**						
	(a) Cost of materials consumed	565.92	220.79	-	786.71	-	-
	(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	(536.57)	(196.35)	-	(732.92)	-	-
	(c) Manufacturing expenses	130.58	62.59	-	193.17	-	-
	(d) Employee benefits expense	401.79	407.68	-	809.47	-	-
	(e) Finance costs	97.55	59.51	-	157.06	-	-
	(f) Depreciation and amortisation expense	94.56	92.52	-	187.08	-	-
	(g) Other expenses	464.34	521.53	-	985.79	-	-
	Total expenses	1,218.17	1,168.27	-	2,386.36	-	-
V	**Profit/(Loss) before exceptional and extraordinary items (III - IV)**	(119.61)	(532.61)	-	(652.14)	-	-
VI	Exceptional Items	-	-	-	-	-	-
VII	**Profit /(Loss) before extra-ordinary items and tax (V - VI)**	(119.61)	(532.61)	-	(652.14)	-	-
VIII	Extraordinary items	-	-	-	-	-	-
IX	**Profit / (Loss) before Tax (VII - VIII)**	(119.61)	(532.61)	-	(652.14)	-	-
X	Tax expense						
	(1) Current tax	-	-	-	-	-	-
	(2) Prior period tax	-	-	-	-	-	-
	(3) Deferred tax	69.78	(45.83)	-	23.95	-	-
	Total Tax	69.78	(45.83)	-	23.95	-	-
XI	**Net Profit/(Loss) from continuing operations (IX - X)**	(189.39)	(486.78)	-	(676.09)	-	-
XII	Profit / (Loss) from discontinuing operations	-	-	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-	-	-
XIV	**Net Profit /(Loss) from discontinuing operations (XII - XIII)**	-	-	-	-	-	-
XV	**Net Profit /(Loss) for the period (XI + XIV)**	(189.39)	(486.78)	-	(676.09)	-	-
XVI	**Other Comprehensive Income**	-	-	-	-	-	-
A	(i) Items that will not be reclassified to profit or loss		-	-	-	-	-
	(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	-	-	-	-	-	-
XVII	**Total Comprehensive Income for the period (XV+XVI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**	(189.39)	(486.78)	-	(676.09)	-	-
XVIII	Paid-up equity share capital (Face Value ₹1/- per Share)	771.60	771.60	-	771.60	-	-
XIX	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	-
XX	Earning Per Share (EPS)						
A	Before extraordinary items (of ₹ .1/- each) (not annualised)						
	(a) Basic (In ₹ .)	(0.25)	(0.63)	-	(0.88)	-	-
	(b) Diluted (n ₹)	(0.25)	(0.63)	-	(0.88)	-	-
B	After extraordinary items (of ₹.1/- each) (not annualised)						
	(a) Basic (In ₹)	(0.25)	(0.63)	-	(0.88)	-	-
	(b) Diluted (In ₹ .)	(0.25)	(0.63)	-	(0.88)	-	-

Notes:

1 These results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015.The above results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on 10th November 2018. The Statutory Auditors have carried out a Limited Review of the results for the Quarter and Half Year ended September 30, 2018.

2 The figures for previous periods/year have been recast and regrouped wherever necessary.

3 The Company operates in only one segment, i.e. Training and Simulation.

4 Ind AS 115 - Revenue from Training simulator services with customers is mandatory for accounting periods commencing on April 1, 2018. The Company has elected to apply the cumulative catch-up method on the date of transition. Accordingly, the revised standard is applied to contracts that were in progress as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is not material to the financial statements.

5 M/s. Zen Technologies USA Inc (wholly owned Subsidiary) for the Half Year ended 30.09.2018 has incurred loss of Rs.149.76 lacs

6 This is first year of Quarterly and yearly consolidation of financial results, Hence previous Quarters and yearly comparative figures were not available

7 The value of orders on hand as on 10 November, 2018,is about Rs. 341.99 crores

For and on behalf of the Board

Ashok Atluri
Chairman and Managing Director
DIN:00056050

Place: Hyderabad
Date: 10 November,2018

SEKHAR & CO. Chartered Accountants 133/4, R.P. ROAD, SECBAD.

ZEN TECHNOLOGIES LIMITED being there...

(3)

M/s ZEN TECHNOLOGIES LIMITED
CIN:L72200TG1993PLC015939
B -42 Industrial Estate, Sanathnagar Hyderabad - 500 018, Telangana, India

Consolidated Balance Sheet as at 30 September 2018

(₹.in lacs)

S.No	Particulars	As at 30.09.18	As at 31.03.18
I	**ASSETS**		
	Non-current assets		
	(a) Property plant and Equipment	6,378.57	-
	(b) Intangible assets	15.75	-
	(c) Capital Work Inprogress		-
	(d) Financial assets		
	(i) Investments	224.22	-
	(ii)Other financial assets	265.68	-
	(e) Income Tax -Assets(Net)	107.27	-
	(f) Deferred Tax Assets(Net)	205.94	-
	(g) Other non current assets	148.39	-
	Total Non Current Assets	**7,345.82**	-
II	**Current assets**		
	(a) Inventories	3,443.19	-
	(b) Financial assets		
	(i)Trade receivables	2,110.18	-
	(ii)Cash and cash equivalent	510.51	-
	(iii) Bank Balances Other Than Cash and Cash Equivalent	1,871.66	-
	(iv) Other financial assets	85.28	-
	(c) Other current assets	1,622.77	-
	Total Current Assets	**9,643.59**	-
	Total Assets (I + II)	**16,989.41**	-
I	**EQUITY AND LIABILITIES**		
	Equity		
	(a) Equity Share Capital	771.60	-
	(b) Other Equity	9,586.67	-
	Total Equity	**10,358.27**	-
II	**Liabilities**		
	Non-current liabilities		
	(a) Financial Liabilities		
	Borrowings	156.99	-
	(b) Provisions	131.29	-
	Total Non Current Liabilities	**288.28**	-
	Current liabilities		
	(a) Financial Liabilities		
	(i)Trade payables	223.30	-
	(ii)Other Financial liabilities	3,273.60	-
	(b) Other current liabilities	2,845.96	-
	Total Current Liabilities	**6,342.86**	-
	Total Equity and Liabilities (I + II)	**16,989.41**	-

SEKHAR & CO. ★ Chartered Accountants ★ 133/4, R.P. ROAD, SEC'BAD.

ZEN TECHNOLOGIES LIMITED

SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :
K.C. Devdas, B.Com., F.C.A
C. Amarnath, B.Com, L.L.B., F.C.A., DISA (ICA)
G. Ganesh, B.Com., F.C.A., DISA (ICA)
Mrudulatha Devdas, B.Com., A.C.A

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

To

The Board of Directors of

Zen Technologies Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Zen Technologies Limited** and its subsidiaries (the Parent and subsidiaries together referred to as a **Group**"), for the quarter ended September 30, 2018 ("the Statement"), being submitted by the Parent pursuant to the requirement of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. This Statement which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down by Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of The Companies Act, 2013 read with the 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.

3. We conducted our review of the Statement 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 statement is free from material misstatement. A review is limited primarily to the inquiry of the Parent personnel and analytical procedures applied to

SEKHAR & CO. Chartered Accountants 133/4, R.P. ROAD, SEC'BAD.

Office : 133/4, Rashtrapathi Road, Secunderabad - 500 003. ☎ : 040-27533391, 27536342, 27543132
Email : sekharandco.ca@gmail.com

financial data and thus provide less assurance than audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. The Statement includes the results of following entities:
   a. Parent Company : **Zen Technologies Limited**
   b. Subsidiary Company: Zen Technologies USA Inc.

5. Based on our review conducted as stated above nothing has come to our attention that causes us to believe that the accompanying Statement, 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 July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Secunderabad

Date: November 10 , 2018

For Sekhar & co

Chartered Accountants

Firm Reg No. 003695S

K. C. Devdas

Partner

M No. 014966

SEKHAR & CO. Chartered Accountants 133/A, R.P. ROAD, SEC'BAD.