

**ZEN TECHNOLOGIES LIMITED**

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

UN-AUDITED STANDALONE FINANCIAL RESULTS FOR THE 3RD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2018

(Rs In lakhs Except for EPS)

Sl No	PARTICULARS	Quarter Ended			Nine Months ended		Year ended
		31 Dec 18 (Unaudited)	30 Sept18 (Unaudited)	31 Dec 17 (Unaudited)	31 Dec 18 (Unaudited)	31 Dec 17 (Unaudited)	
I	Revenue from operations	3,403.91	938.87	888.45	4,871.58	2,558.71	3,896.33
II	Other income	31.70	148.00	89.97	284.46	180.02	440.10
III	<b>Total Revenue (I+II)</b>	<b>3,435.61</b>	<b>1,086.87</b>	<b>978.42</b>	<b>5,156.04</b>	<b>2,738.73</b>	<b>4,336.43</b>
IV	<b>Expenses</b>						
	(a) Cost of materials consumed	1,008.27	565.92	30.58	1,794.98	350.90	482.97
	(b) Changes in inventories of finished goods, work-in progress	(179.86)	(536.57)	(9.60)	(912.78)	(17.07)	(125.59)
	(c) Manufacturing expenses	147.57	130.58	68.19	340.74	239.04	307.60
	(d) Employee benefits expense	392.46	363.87	383.91	1,113.35	1,108.84	1,549.08
	(e) Finance costs	151.58	97.37	67.53	308.26	130.18	240.76
	(f) Depreciation and amortisation expense	94.55	94.48	72.61	281.54	211.31	282.39
	(g) Other expenses	460.67	415.72	334.76	1,371.96	1,099.54	1,868.00
	<b>Total expenses</b>	<b>2,075.24</b>	<b>1,131.37</b>	<b>947.98</b>	<b>4,298.05</b>	<b>3,122.74</b>	<b>4,605.23</b>
V	<b>Profit/(Loss) before exceptional and extraordinary items (III - IV)</b>	<b>1,360.37</b>	<b>(44.50)</b>	<b>30.44</b>	<b>857.99</b>	<b>(384.01)</b>	<b>(268.80)</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	<b>Profit / (Loss) before extra-ordinary items and tax (V - VI)</b>	<b>1,360.37</b>	<b>(44.50)</b>	<b>30.44</b>	<b>857.99</b>	<b>(384.01)</b>	<b>(268.80)</b>
VIII	Extraordinary items	-	-	-	-	-	-
IX	<b>Profit / (Loss) before Tax (VII - VIII)</b>	<b>1,360.37</b>	<b>(44.50)</b>	<b>30.44</b>	<b>857.99</b>	<b>(384.01)</b>	<b>(268.80)</b>
X	Tax expense						
	(1) Current tax	139.31	-	-	139.31	-	-
	(2) Deferred tax	10.23	69.78	-	34.18	-	(229.89)
	<b>Total Tax</b>	<b>149.54</b>	<b>69.78</b>	<b>-</b>	<b>173.49</b>	<b>-</b>	<b>(229.89)</b>
XI	<b>Net Profit/(Loss) from continuing operations (IX - X)</b>	<b>1,210.83</b>	<b>(114.28)</b>	<b>30.44</b>	<b>684.50</b>	<b>(384.01)</b>	<b>(38.90)</b>
XII	Profit / (Loss) from discontinuing operations	-	-	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-	-	-
XIV	<b>Net Profit / (Loss) from discontinuing operations (XII - XIII)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XV	<b>Net Profit / (Loss) for the period (XI + XIV)</b>	<b>1,210.83</b>	<b>(114.28)</b>	<b>30.44</b>	<b>684.50</b>	<b>(384.01)</b>	<b>(38.90)</b>
XVI	<b>Other Comprehensive Income</b>						
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	-	-	-	-	-	-



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SI No	PARTICULARS	Quarter Ended				Nine Months ended		Year ended
		31 Dec 18 (Unaudited)	30 Sept 18 (Unaudited)	31 Dec 17 (Unaudited)	31 Dec 18 (Unaudited)	31 Dec 17 (Unaudited)	31 Mar 18 (Audited)	
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-
<b>XVII</b>	<b>Total Comprehensive Income for the period (XV+XVI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>1,210.83</b>	<b>(114.28)</b>	<b>30.44</b>	<b>684.50</b>	<b>(384.01)</b>	<b>20.80</b>	
<b>XVIII</b>	Paid-up equity share capital (Face Value Rs 1/- per Share)	771.60	771.60	771.60	771.60	771.60	771.60	
<b>XIX</b>	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	11,188.92	
<b>XX</b>	Earning Per Share (EPS)							
<b>A</b>	<b>Before extraordinary items (of Rs. 1/- each) (not annualised)</b>							
	(a) Basic (In Rs.)	1.57	(0.15)	0.04	0.89	(0.50)	0.03	
	(b) Diluted (In Rs.)	1.57	(0.15)	0.04	0.89	(0.50)	0.03	
<b>B</b>	<b>After extraordinary items (of Rs.1/- each) (not annualised)</b>							
	(a) Basic (In Rs.)	1.57	(0.15)	0.04	0.89	(0.50)	0.03	
	(b) Diluted (In Rs.)	1.57	(0.15)	0.04	0.89	(0.50)	0.03	

**Notes:**

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 28th January 2019. The Statutory Auditors have carried out a Limited Review of the results for the Quarter and Nine Months ended December 31, 2018.

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

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

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 comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is not material to the financial statements.

The Company has entered into an agreement with Unistring Tech Solutions Pvt Ltd to acquire its shares to the extent of 51 % . During the quarter ended 31 December 2018 the Company has acquired 2,06,262 partly paid equity shares of Rs.10 each with Rs. 6/- per share paidup value, by investing an amount of Rs. 3 crores.

During the Nine Months ended December 31,2018 Company has invested in M/s. Zen Technologies USA Inc ( wholly owned Subsidiary) of Rs. 454.84 lacs  
The value of orders on hand as on 28 January, 2019, is about Rs. **315.32** crores.

For and on behalf of the Board



Place: Hyderabad  
Date: 28 January, 2019

Ashok Atluri  
Chairman and Managing Director  
DIN: 00056050



# 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 December 31, 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 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 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. 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: January 28, 2019



For Sekhar & co

Chartered Accountants

Firm Reg No. 0036955

A handwritten signature in black ink, appearing to read "Mrudulatha".

Mrudulatha Devdas

Partner

M No. 229657

## ZEN TECHNOLOGIES LIMITED

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

UN-AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE 3RD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2018

(Rs. In lakhs Except for EPS)

Sl No	PARTICULARS	Quarter Ended			Nine Months Ended		Year Ended
		31 Dec 18 (Unaudited)	30 Sept 18 (Unaudited)	31 Dec 17 (Unaudited)	31 Dec 18 (Unaudited)	31 Dec 17 (Unaudited)	
I	Revenue from operations	3,403.91	938.87	-	4,871.58	-	-
II	Other income	32.55	159.69	-	299.10	-	-
III	<b>Total Revenue (I+II)</b>	<b>3,436.46</b>	<b>1,098.56</b>	-	<b>5,170.68</b>	-	-
IV	<b>Expenses</b>						
	(a) Cost of materials consumed	1,008.27	565.92	-	1,794.98	-	-
	(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	(179.86)	(536.57)	-	(912.78)	-	-
	(c) Manufacturing expenses	147.57	130.58	-	340.74	-	-
	(d) Employee benefits expense	423.18	401.79	-	1,232.65	-	-
	(e) Finance costs	152.17	97.55	-	309.23	-	-
	(f) Depreciation and amortisation expense	95.10	94.56	-	282.18	-	-
	(g) Other expenses	756.40	464.34	-	1,742.19	-	-
	<b>Total expenses</b>	<b>2,402.83</b>	<b>1,218.17</b>	-	<b>4,789.19</b>	-	-
V	<b>Profit/(loss) before share of (profit)/loss from investment in associate, exceptional, extraordinary items and tax from continuing operations (III - IV)</b>	<b>1,033.63</b>	<b>(119.61)</b>	-	<b>381.49</b>	-	-
VI	Share of (profit)/loss of an associate	25.97	-	-	25.97	-	-
VII	<b>Profit/(loss) before, exceptional, extraordinary items and tax from continuing operations (V - VI)</b>	<b>1,007.66</b>	<b>(119.61)</b>	-	<b>355.52</b>	-	-
VIII	Exceptional items	-	-	-	-	-	-
IX	<b>Profit / (Loss) before extra-ordinary items and tax (VII - VIII)</b>	<b>1,007.66</b>	<b>(119.61)</b>	-	<b>355.52</b>	-	-
X	Extraordinary items	-	-	-	-	-	-
XI	<b>Profit / (Loss) before Tax (IX - X)</b>	<b>1,007.66</b>	<b>(119.61)</b>	-	<b>355.52</b>	-	-
XII	Tax expense						
	(1) Current tax	139.31	-	-	139.31	-	-
	(2) Deferred tax	10.23	69.78	-	34.18	-	-
	<b>Total Tax</b>	<b>149.54</b>	<b>69.78</b>	-	<b>173.49</b>	-	-
XIII	<b>Net Profit/(Loss) from continuing operations (XI - XII)</b>	<b>858.12</b>	<b>(189.39)</b>	-	<b>182.03</b>	-	-
XIV	Profit / (Loss) from discontinuing operations	-	-	-	-	-	-
XV	Tax expense of discontinuing operations	-	-	-	-	-	-
XVI	<b>Net Profit / (Loss) from discontinuing operations (XIV - XV)</b>	-	-	-	-	-	-
XVII	<b>Net Profit / (Loss) for the period (XIII + XVI)</b>	<b>858.12</b>	<b>(189.39)</b>	-	<b>182.03</b>	-	-
XVIII	<b>Other Comprehensive Income</b>						
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	-	-	-	-	-	-
XIX	<b>Total Comprehensive Income for the period (XVII+XVIII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>858.12</b>	<b>(189.39)</b>	-	<b>182.03</b>	-	-




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Sl No	PARTICULARS	Quarter Ended			Nine Months ended		Year ended
		31 Dec 18 (Unaudited)	30 Sept 18 (Unaudited)	31 Dec 17 (Unaudited)	31 Dec 18 (Unaudited)	31 Dec 17 (Unaudited)	
XX	Paid-up equity share capital (Face Value Rs.1/- per Share)	771.60	771.60	-	771.60	-	-
XXI	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	-
XXII	Earning Per Share (EPS)						
A	<b>Before extraordinary items (of Rs. 1/- each) (not annualised)</b>						
	(a) Basic (In Rs.)	1.11	(0.25)	-	0.24	-	-
	(b) Diluted (In Rs.)	1.11	(0.25)	-	0.24	-	-
B	<b>After extraordinary items (of Rs1/- each) (not annualised)</b>						
	(a) Basic (In Rs.)	1.11	(0.25)	-	0.24	-	-
	(b) Diluted (In Rs.)	1.11	(0.25)	-	0.24	-	-

**Notes:**

- 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 28th January 2019. The Statutory Auditors have carried out a Limited Review of the results for the Quarter and Nine Months ended December 31, 2018.
- The figures for previous periods/year have been recast and regrouped wherever necessary.
- The Company operates in only one segment, i.e. Training and Simulation.
- 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 comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is not material to the financial statements.
- The Company has entered into an agreement with Unistring Tech Solutions Pvt Ltd (UTS) to acquire its shares to the extent of 51 % . During the quarter ended 31 December 2018 the Company has acquired 2,06,262 partly paid equity shares of Rs.10 each with Rs. 6/- per share paidup value, by investing an amount of Rs. 3 crores.
- The consolidated financial results include the result of the ZEN USA Inc ( wholly owned Subsidiary) and UTS (Associated Company) .
- M/s. Zen Technologies USA Inc ( wholly owned Subsidiary) for the Nine Months ended 31.12.2018 has incurred loss of Rs.476.5 lacs
- This is first year of Quarterly and yearly consolidation of financial results, Hence previous Quarters and yearly comparative figures were not available
- The value of orders on hand as on 28 January, 2019 is about Rs. 315.32 crores

Place: Hyderabad  
Date: 28 January, 2019

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







# 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 December 31, 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



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.
- c. Associate Company: Unistring Tech Solutions Private Limited

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: January 28, 2019



For Sekhar & co

Chartered Accountants

Firm Reg No. 003695S

Mrudulatha Devdas

Partner

M No. 229657