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## ZEN TECHNOLOGIES LIMITED

Certified ISO 9001:2015, ISO 27001:2013, ISO 14001:2015, CMMI ML5

Regd. Office : B-42, Industrial Estate, Sanathnagar

Hyderabad – 500 018, Telangana, India

Phone: +91 40 23813281, Fax No: +91 40 23813694

Email: info@zentechnologies.com Website: www.zen.in

Corporate Identity Number : L72200TG1993PLC015939

Date: 02 Nov 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 Second Quarter and Half-Year ended on 30 September 2019.**  
**2. Outcome of the Board Meeting held on 02 Nov 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, 02 Nov 2019, inter-alia, considered and approved the following:-

1. Unaudited financial results, both standalone and consolidated, for the Second quarter & Half-year ended 30 September 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 Dr. Ajay Kumar Singh (DIN: 08532830) as the Additional Director in the category of Non-Executive and Independent of the company w.e.f. Nov 2, 2019. He shall hold office upto the conclusion of the ensuing Annual General Meeting of the company and further continuance subject to the shareholders' approval. He is not related to any other Director(s) of the company.

In this regard, we hereby affirm that Dr. Ajay Kumar Singh is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

Further, the brief profile of Dr. Ajay Kumar Singh is enclosed herewith as follows:

*A recipient of prestigious "The Rashtrapati Rovers Award" in the year 2000, Dr. Ajay Kumar Singh has joined Indian School of Business (ISB) in the year 2007 and at presently working in Centre for Executive Education at Indian School of Business-Hyderabad. He is a Post-Doctoral Fellow in Social Marketing from ISB, Hyderabad, apart from Ph.D. and an MBA in marketing from Varanasi. His expertise lies in the area of social marketing. He applies his research in this area to address social entrepreneur, branding, advertising, customer relationship management and customer centricity. In his previous stint, He has worked with J P Associates (P) Ltd. Crompton Greaves Limited, SIVA Institute and Apeejay School*

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



**CMMI DEV / 5<sup>SM</sup>**  
Exp. 2022-01-30 / Appraisal #2306



*of Marketing. He holds extensive years of experience across different functionalities, ranging from leadership role, with experience in program planning and design, implementation, teaching, monitoring and evaluation, business development to consulting.*

*Dr. Singh has received Grant £4,000 for sponsorship study "Review of social marketing activity in India form 2000-2008" by Dr. Jeff French- Director, National Social Marketing Centre, London, UK. He has designed Mid- Career Training Programmes for The Ministry of External Affairs-Senior Indian Foreign Service Officer, the Ministry of Home -Senior IPS Officers, The Ministry of Finance-Senior IRS Custom & Excise Officers, the Ministry of Indian Railways (Senior Officers - IRAS, IRPS, IRTS, IRSE, IRSEE, IRSSE, IRSME, RPF and IRMS) to name a few.*


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 02.30 p.m.

This is for your kind information and records.

Thanking You.

Yours sincerely,  
For Zen Technologies Limited

  
**Hansraj Singh Rajput**  
Company Secretary & Compliance Officer  
M. No. A38213





**Independent Auditor's Review Report on Quarterly and Year to Date Unaudited Standalone Financial Results of Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**Review Report to  
The Board of Directors  
ZEN TECHNOLOGIES LIMITED**

We have reviewed the accompanying statement of unaudited Standalone financial results of **ZEN TECHNOLOGIES LIMITED** (the "Company") for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 (the "Statement") attached herewith, 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/CMD1/44/2019 Dated 29<sup>th</sup> March, 2019.

This statement, which is the responsibility of the Company's Management and approved by the Company's 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, (Ind AS 34) "Interim Financial Reporting", Prescribed under section 133 of the Companies Act 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

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 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 ("Ind AS") specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder 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/CMD1/44/2019 Dated 29<sup>th</sup> March, 2019 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Ramasamy koteswara Rao & Co LLP**  
Chartered Accountants  
FRN.No. 010396S /S200084



*Melli*

Place: Hyderabad  
Date: 02-11-2019

**(Murali Krishna Reddy Telluri)**  
Partner  
Membership No: 223022  
UDIN: 19223022AAAAMI1833

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

Standalone financial results for the quarter and half-year ended September 30, 2019

(Rs.in lakhs)

S No	Particulars	Quarter ended	Quarter ended	Quarter ended	Half-Year	Half-Year	Year ended
		Sept 30,2019	June 30,2019	Sept 30,2018	ended Sept 30,2019	ended Sept 30,2018	March 31,2019
		Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
<b>1</b>	<b>Income</b>						
	a) Revenue from Operations	4,712.00	4,878.72	780.28	9,590.72	1,389.43	9,222.06
	<b>Total Revenue from operations</b>	<b>4,712.00</b>	<b>4,878.72</b>	<b>780.28</b>	<b>9,590.72</b>	<b>1,389.43</b>	<b>9,222.06</b>
	b) Other Income	26.36	27.50	148.00	53.86	252.76	310.78
	<b>Total Income</b>	<b>4,738.36</b>	<b>4,906.22</b>	<b>928.28</b>	<b>9,644.58</b>	<b>1,642.19</b>	<b>9,532.84</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of materials Consumed	750.03	1,345.25	565.92	2,095.28	786.71	3,725.61
	b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	539.48	150.67	(536.57)	690.15	(732.92)	(1,160.99)
	(c) Manufacturing Expenses	171.27	169.01	130.58	340.28	193.17	501.30
	(d) Employee benefits expense	446.16	355.44	363.87	801.60	720.89	1,566.42
	(e) Finance costs	68.85	100.55	97.37	169.40	156.68	478.88
	(f) Depreciation and amortization expense	93.06	93.13	94.48	186.19	186.99	376.81
	(g) Other expenses	552.17	420.44	415.72	972.61	911.29	2,335.21
	<b>Total Expenses (a to g)</b>	<b>2,621.02</b>	<b>2,634.49</b>	<b>1,131.37</b>	<b>5,255.51</b>	<b>2,222.81</b>	<b>7,823.23</b>
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>2,117.34</b>	<b>2,271.73</b>	<b>(203.09)</b>	<b>4,389.07</b>	<b>(580.62)</b>	<b>1,709.61</b>
<b>4</b>	<b>Tax expenses</b>						
	- Income Tax	277.33	489.53	-	766.86	-	368.40
	- Deferred Tax	302.93	97.16	69.78	400.09	23.95	(582.50)
<b>5</b>	<b>Net Profit for the period (3-4)</b>	<b>1,537.08</b>	<b>1,685.04</b>	<b>(272.87)</b>	<b>3,222.12</b>	<b>(604.57)</b>	<b>1,923.71</b>
<b>6</b>	<b>Other comprehensive income</b>						
	a) (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18.13)</b>
<b>7</b>	<b>Total Comprehensive income (5+6)</b>	<b>1,537.08</b>	<b>1,685.04</b>	<b>(272.87)</b>	<b>3,222.12</b>	<b>(604.57)</b>	<b>1,905.58</b>
<b>8</b>	<b>Paid-up Equity Share Capital</b>	<b>771.60</b>	<b>771.60</b>	<b>771.60</b>	<b>771.60</b>	<b>771.60</b>	<b>771.60</b>
	(Rs. 1/- per Equity Share)						
<b>9</b>	<b>Other Equity</b>	<b>16,272.52</b>		<b>9,658.19</b>	<b>16,272.52</b>	<b>9,658.19</b>	<b>13,329.47</b>
<b>10</b>	<b>Earnings per share</b>						
	(Face Value of Rs. 1/- each)						
	(a) Basic (In Rs.)	1.99	2.18	(0.35)	4.18	(0.78)	2.49
	(b) Diluted (In Rs.)	1.99	2.18	(0.35)	4.18	(0.78)	2.49




**Notes to Standalone Un-Audited Financial Results for the Quarter ending 30th September 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 2nd November, 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. Hence segmental reporting as per Ind AS 108 is not made.
5	In the year 2013, the company availed a loan for Rs 11.60 Crs from Technology Development Board (TDB), Government of India, towards Development of UAV Simulator. Mr. Ashok Alluri, Promoter, had pledged 1.50 Crore equity shares in favour of TDB. The total loan amount has been fully paid. The no due certificate and the release of promoters' pledge shares is awaited.
6	The value of the orders on hand as at 2nd November, 2019 is about Rs. 192.24 Crores
7	The Company on April 1, 2018 while evaluating the impact of Ind AS 115 in respect of certain contracts with customers had reversed Rs. 714.65 lakhs 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 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 30.09.2018 & half year ended 30.09.2018 was revised based on the evaluation of performance obligation of the company. The net impact and revised position is tabulated as under.

Particulars	Quarter ended 30 September 2018	Half Year ended 30 September 2018
Revenue relating to performance obligations satisfied in FY 2017-18 reported in FY 2018-19 now de-recognized	298.05	559.12
Revenue for performance obligations satisfied in FY 2018-19	139.47	480.88
<b>Impact on Reported revenue</b>	<b>(158.59)</b>	<b>(78.24)</b>

Place : Hyderabad  
Date : 02 November, 2019.

For and on behalf of the Board

  
Ashok Alluri  
Chairman and Managing Director  
DIN 00056050



(Rs.in lakhs)

Standalone Statement of Assets & Liabilities			
S No	Particulars	As at Sept 30,2019	As at March 31,2019
		Un Audited	Audited
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a)	Property plant and Equipment	6,092.10	6,276.94
(b)	Capital Work-In-progress	40.43	40.40
(c)	Intangible assets	10.09	9.89
(d)	Financial assets		
	(i) Investments	1,698.20	1,335.65
	(ii) Other financial assets	51.90	57.30
	(iii) Deferred Tax Assets(Net)	412.30	812.40
(e)	Other non current assets	509.07	483.15
	<b>Total Non-current assets</b>	<b>8,814.09</b>	<b>9,015.73</b>
<b>Current assets</b>			
(a)	Inventories	1,787.03	3,528.38
(b)	Financial assets		
	(i) Trade receivables	6,962.53	7,335.27
	(ii) Cash and cash equivalent	328.23	368.76
	(iii) Bank Balances Other Than Cash and Cash Equivalents	1,560.85	858.83
	(iv) Other financial assets	671.27	759.98
(c)	Other current assets	866.53	486.25
	<b>Total Current assets</b>	<b>12,176.44</b>	<b>13,337.47</b>
	<b>TOTAL ASSETS</b>	<b>20,990.53</b>	<b>22,353.20</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a)	Equity Share Capital	771.60	771.60
(b)	Other Equity	16,272.52	13,329.47
	<b>Total Equity</b>	<b>17,044.12</b>	<b>14,101.07</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a)	Financial Liabilities		
	(i) Borrowings	662.09	880.15
(b)	Long Term Provisions	138.95	140.60
	<b>Total Non-current liabilities</b>	<b>801.04</b>	<b>1,020.75</b>
<b>Current liabilities</b>			
(a)	Financial Liabilities		
	(i) Borrowings	554.64	2,613.63
	(ii) Trade payables	296.01	752.58
	(iii) Other financial liabilities	596.04	740.94
(b)	Other current liabilities	916.23	2,906.49
(c)	Short Term Provisions	782.45	217.74
	<b>Total Current liabilities</b>	<b>3,145.37</b>	<b>7,231.38</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,990.53</b>	<b>22,353.20</b>

*Asst. Manager*



Standalone Statement of Cash Flows

(Rs.in lakhs)

S No	Particulars	Six Months ended		Year ended
		As at Sept 30,2019	As at Sept 30,2018	As at March 31,2019
<b>I</b>	<b>Cash Flows from Operating Activities</b>			
	Net profit before tax	4,389.07	(502.38)	1,709.61
	Adjustments for :			
	Depreciation and amortization expense	186.19	186.99	373.94
	Provision for doubtful debts/advances/ impairment	-	-	2.87
	(Profit) /Loss on Sale of Assets	11.08	(1.36)	(4.41)
	Interest Income	(27.18)	(72.54)	(96.76)
	Deferred Income Grant Benefit	-	(13.59)	(24.00)
	Finance Cost	169.40	156.68	478.88
	Other Comprehensive Income	-	-	(18.13)
	<b>Operating profit before working capital changes</b>	<b>4,728.56</b>	<b>(246.20)</b>	<b>2,422.00</b>
	Movements in Working Capital			
	(Increase)/Decrease in Trade Receivables	372.74	(563.69)	(5,074.14)
	(Increase)/Decrease in Other financial assets	94.11	666.90	189.58
	(Increase)/Decrease in Inventories	1,741.35	(2,287.72)	(2,372.91)
	(Increase)/Decrease in Other Current Assets	(380.28)	(827.49)	119.05
	(Increase)/Decrease in Other Non Current Assets	(25.92)	24.30	29.45
	Increase/(Decrease) in Trade Payables	(456.57)	(187.76)	405.83
	Increase/(Decrease) in Other financial liabilities	130.70	36.40	231.82
	Increase/(Decrease) in Other Current liabilities	(1,990.26)	(99.36)	(186.57)
	Increase/(Decrease) in Provisions	(1.65)	1.35	10.66
	<b>Cash generated from operations</b>	<b>4,212.78</b>	<b>(3,483.27)</b>	<b>(4,225.22)</b>
	Taxes Paid	(202.11)	(24.56)	(150.66)
	<b>Net Cash from operating activities</b>	<b>4,010.67</b>	<b>(3,507.83)</b>	<b>(4,375.88)</b>
<b>II</b>	<b>Cash flows from Investing Activities</b>			
	Purchase of Fixed Assets (Including CWIP)	(18.87)	(88.18)	(225.13)
	Sale of Fixed Assets	6.19	1.36	12.56
	Investment in Subsidiaries	(362.55)	(367.76)	(1,171.88)
	Interest Income	27.18	72.54	96.76
	(Increase)/Decrease in Other Bank Balances	(702.02)	1,250.00	2,262.83
	Creditor for Capital goods	-	-	-
	Advance for Fixed Assets	-	-	(246.21)
	<b>Net Cash From/ (Used In) Investing Activities</b>	<b>(1,050.08)</b>	<b>867.96</b>	<b>728.94</b>
<b>III</b>	<b>Cash flows from Financing Activities</b>			
	Proceeds from Long term borrowings	(493.66)	(21.18)	576.29
	Dividend paid	(231.48)	(77.16)	(77.16)
	Corporate Dividend tax	(47.59)	(15.86)	(15.86)
	Finance Cost	(169.40)	(156.68)	(478.88)
	Amount received towards Share warrants	-	-	446.49
	<b>Net Cash From/ (Used In) Financing Activities</b>	<b>(942.13)</b>	<b>(270.88)</b>	<b>450.88</b>
	<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>2,018.46</b>	<b>(2,910.75)</b>	<b>(3,196.07)</b>
	Cash and Cash equivalents at the beginning of the year	(2,244.87)	951.20	951.20
	<b>Cash and Cash equivalents at the ending of the year</b>	<b>(226.41)</b>	<b>(1,959.55)</b>	<b>(2,244.87)</b>

Cash and Cash Equivalents include the following for Cash flow purpose

Particulars	As at Sept 30,2019	As at Sept 30,2018	As at March 31,2019
Cash and Cash Equivalents/ Bank Balances	328.23	471.83	368.76
Less: OD/CC accounts forming part of Cash & Cash Equivalents	554.64	2,431.38	2,613.63
<b>Cash and Cash Equivalents/ Bank Balances</b>	<b>(226.41)</b>	<b>(1,959.55)</b>	<b>(2,244.87)</b>



*[Handwritten Signature]*



**Independent Auditor's Review Report on Quarterly and Year to Date Unaudited Consolidated Financial Results of Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**Review Report to  
The Board of Directors  
ZEN TECHNOLOGIES LIMITED**

We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of **ZEN TECHNOLOGIES LIMITED** (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 (the "Statement") attached herewith, 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/CMD1/44/2019 Dated 29<sup>th</sup> March, 2019.

This statement, which is the responsibility of the Parent's Management and approved by the Company's 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, (Ind AS 34) "Interim Financial Reporting", Prescribed under section 133 of the Companies Act 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

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 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.

The statement includes the results of the following entities:

1. Zen Technologies USA ,INC, Subsidiary
2. Unistring Tech Solutions Pvt Ltd, Subsidiary

We did not review the financial results and other financial information in respect of two subsidiaries included in the consolidated financial results, whose interim financial reflect total assets of Rs.14,74,65,739/- as at 30th September 2019, total revenues of Rs.60,25,000/- and total net loss after tax of Rs -2,39,05,027 /- for the quarter ended September 30, 2019 and for the period April 01, 2019 to September 30, 2019, as considered in the consolidated financial results. These financial results 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.

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 ("Ind AS") specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder 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/CMD1/44/2019 Dated 29<sup>th</sup> March, 2019 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Ramasamy koteswara Rao & Co LLP**

Chartered Accountants

FRN.No. 010396S /S200084



*M. Krishna Reddy*

**(Murali Krishna Reddy Telluri)**

Partner

Membership No: 223022

UDIN: 19223022AAAAMJ5862

Place: Hyderabad

Date: 02-11-2019

Consolidated financial results for the quarter and half-year ended September 30, 2019

(Rs.in lakhs)

S No	Particulars	Quarter ended	Quarter ended	Quarter ended	Half-Year ended	Half-Year ended	Year ended
		Sept 30,2019	June 30,2019	Sept 30,2018	Sept 30,2019	Sept 30,2018	March 31,2019
		Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
<b>1</b>	<b>Income</b>						
	a) Revenue from Operations	4,758.75	4,892.22	780.28	9,650.97	1,389.43	9,222.06
	<b>Total Revenue from operations</b>	<b>4,758.75</b>	<b>4,892.22</b>	<b>780.28</b>	<b>9,650.97</b>	<b>1,389.43</b>	<b>9,222.06</b>
	b) Other Income	26.37	27.50	159.69	53.87	266.55	310.78
	<b>Total Income</b>	<b>4,785.12</b>	<b>4,919.72</b>	<b>939.97</b>	<b>9,704.84</b>	<b>1,655.98</b>	<b>9,532.85</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of materials Consumed	800.79	1,368.32	565.92	2,169.11	786.71	3,725.61
	b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	496.23	139.88	(536.57)	636.11	(732.92)	(1,160.99)
	(c) Manufacturing Expenses	173.09	169.01	130.58	342.10	193.17	501.30
	(d) Employee benefits expense	533.74	424.02	401.79	957.76	809.47	1,661.45
	(e) Finance costs	74.18	104.49	97.55	178.67	157.06	481.12
	(f) Depreciation and amortization expense	132.85	96.51	94.56	229.36	187.08	379.69
	(g) Other expenses	587.08	477.26	464.34	1,064.34	985.79	2,827.42
	<b>Total Expenses (a to g)</b>	<b>2,797.96</b>	<b>2,779.50</b>	<b>1,218.17</b>	<b>5,577.46</b>	<b>2,386.36</b>	<b>8,415.60</b>
	<b>Profit before tax before profit or loss from investment in Associate</b>	<b>1,987.16</b>	<b>2,140.22</b>	<b>(278.20)</b>	<b>4,127.39</b>	<b>(730.38)</b>	<b>1,117.24</b>
<b>3</b>	<b>(1-2)</b>						
	Share of Profit/(loss) from an Associate	-	(8.51)	-	(8.51)	-	0.35
	<b>5 Profit/(Loss) Before Tax (3+4)</b>	<b>1,987.16</b>	<b>2,131.71</b>	<b>(278.20)</b>	<b>4,118.88</b>	<b>(730.38)</b>	<b>1,117.60</b>
<b>6</b>	<b>Tax expenses</b>						
	- Income Tax	277.33	489.53	-	766.86	-	368.40
	- Deferred Tax	291.74	85.71	69.78	377.46	23.95	(582.50)
	<b>7 Net Profit for the period (3-4)</b>	<b>1,418.09</b>	<b>1,556.47</b>	<b>(347.98)</b>	<b>2,974.56</b>	<b>(754.33)</b>	<b>1,331.70</b>
<b>8</b>	<b>Attributable to:</b>						
	Shareholders of the Company	1,433.80	1,572.33	(347.98)	3,006.13	(754.33)	1,331.70
	Non Controlling interest	(15.71)	(15.86)	-	(31.57)	-	-
<b>8</b>	<b>Other comprehensive income</b>						
	a) (i) Items that will not be reclassified to profit or loss	3.63	-	-	3.63	-	(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>3.63</b>	<b>-</b>	<b>-</b>	<b>3.63</b>	<b>-</b>	<b>(16.35)</b>
<b>9</b>	<b>Total Comprehensive income (5 +6)</b>	<b>1,421.72</b>	<b>1,556.47</b>	<b>(347.98)</b>	<b>2,978.19</b>	<b>(754.33)</b>	<b>1,315.35</b>
<b>10</b>	<b>Attributable to:</b>						
	Shareholders of the Company	1,437.43	1,572.33	(189.39)	3,009.76	(676.09)	1,315.35
	Non Controlling interest	(15.71)	(15.86)	-	(31.57)	-	-
<b>10</b>	<b>Paid-up Equity Share Capital</b>						
	(Rs. 1/- per Equity Share)	771.60	771.60	771.60	771.60	771.60	771.60
<b>11</b>	<b>Other Equity</b>						
		15,472.14		9,508.43	15,472.14	9,508.43	12,739.23
<b>12</b>	<b>Earnings per share</b>						
	(Face Value of Rs. 1/- each)						
	(a) Basic (In Rs.)	1.86	2.04	(0.45)	3.90	(0.98)	1.73
	(b) Diluted (In Rs.)	1.86	2.04	(0.45)	3.90	(0.98)	1.73

*[Handwritten Signature]*

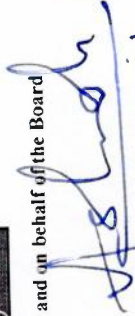


**Notes to Consolidated Un-Audited Financial Results for the Quarter ending 30th September 2019.**

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 2nd November, 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. Hence segmental reporting as per Ind AS 108 is not made.
5	In the year 2013, the company availed a loan for Rs 11.60 Crs from Technology Development Board (TDB), Government of India, towards Development of UAV Simulator. Mr. Ashok Atluri, Promoter, had pledged 1.50 Crore equity shares in favour of TDB. The total loan amount has been fully paid. The no due certificate and the release of promoters' pledge shares is awaited.
6	The value of the orders on hand as at 2nd November, 2019 is about Rs. 192.24 Crores
7	The Company on April 1, 2018 while evaluating the impact of Ind AS 115 in respect of certain contracts with customers had reversed Rs. 714.65 lakhs 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 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 30.09.2018 & half year ended 30.09.2018 was revised based on the evaluation of performance obligation of the company. The net impact and revised position is tabulated as under.

Particulars	Quarter ended 30 September 2018	Half Year ended 30 September 2018
Revenue relating to performance obligations satisfied in FY 2017-18 reported in FY 2018-19 now de-recognized	298.05	559.12
Revenue for performance obligations satisfied in FY 2018-19	139.47	480.88
<b>Impact on Reported revenue</b>	<b>(158.59)</b>	<b>(78.24)</b>

For and on behalf of the Board



Ashok Atluri  
Chairman and Managing Director  
DIN:00056050

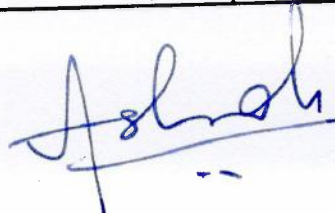



Place : Hyderabad

Date : 02 November, 2019.

(Rs.in lakhs)

Consolidated Statement of Assets & Liabilities			
S No	Particulars	As at Sept 30,2019	As at March 31,2019
		Un Audited	Audited
<b>I.</b>	<b>ASSETS</b>		
	<b>Non-current assets</b>		
(a)	Property plant and Equipment	6,153.31	6,296.44
(b)	Capital Work-In-progress	40.43	40.40
(c)	Intangible assets	787.93	9.89
(d)	Financial assets		774.57
	(i) Investments	224.22	57.30
	(ii) Other financial assets	76.03	812.40
	(iii) Deferred Tax Assets(Net)	443.09	483.15
(e)	Other non current assets	509.07	
	<b>Total Non-current assets</b>	<b>8,234.08</b>	<b>8,474.15</b>
	<b>Current assets</b>		
(a)	Inventories	1,927.57	3,528.38
(b)	Financial assets		7,335.27
	(i) Trade receivables	7,269.50	370.47
	(ii) Cash and cash equivalent	453.90	858.83
	(iii) Bank Balances Other Than Cash and Cash Equivalents	1,561.38	759.98
	(iv) Other financial assets	671.27	520.86
(c)	Other current assets	926.99	
	<b>Total Current assets</b>	<b>12,810.61</b>	<b>13,373.80</b>
	<b>TOTAL ASSETS</b>	<b>21,044.69</b>	<b>21,847.95</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
(a)	Equity Share Capital	771.60	771.60
(b)	Other Equity		12,739.23
	Equity attributable to owners of Company	15,472.14	-
	Non Controlling interest	641.04	
	<b>Total Equity</b>	<b>16,884.78</b>	<b>13,510.83</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
(a)	Financial Liabilities		880.15
	(i) Borrowings	846.00	140.60
(b)	Long Term Provisions	138.95	
	<b>Total Non-current liabilities</b>	<b>984.95</b>	<b>1,020.75</b>
	<b>Current liabilities</b>		
(a)	Financial Liabilities		2,613.63
	(i) Borrowings	565.83	813.97
	(ii) Trade payables	277.16	740.94
	(iii) Other financial liabilities	596.04	2,930.09
(b)	Other current liabilities	953.49	217.74
(c)	Short Term Provisions	782.45	
	<b>Total Current liabilities</b>	<b>3,174.96</b>	<b>7,316.36</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,044.69</b>	<b>21,847.95</b>

Consolidated Statement of Cash Flows

(Rs.in lakhs)

S No	Particulars	Six Months ended		Year ended
		As at Sept 30,2019	As at Sept 30,2018	As at March 31,2019
<b>I</b>	<b>Cash Flows from Operating Activities</b>			
	Net profit before tax	4,127.39	(652.14)	1,117.24
	Adjustments for :			
	Depreciation and amortization expense	229.27	187.08	376.78
	Provision for doubtful debts/advances/ impairment	-	-	2.87
	(Profit) /Loss on Sale of Assets	11.08	(1.36)	(4.41)
	Interest Income	(27.19)	(72.54)	(96.76)
	Deferred Income Grant Benefit	-	(13.59)	(24.00)
	Finance Cost	178.67	157.06	478.88
	Other Comprehensive Income	3.63	-	(16.35)
	<b>Operating profit before working capital changes</b>	<b>4,522.84</b>	<b>(395.49)</b>	<b>1,834.25</b>
	Movements in Working Capital			
	(Increase)/Decrease in Trade Receivables	620.86	(563.69)	(5,074.14)
	(Increase)/Decrease in Other financial assets	89.54	666.90	189.58
	(Increase)/Decrease in Inventories	1,687.31	(2,287.72)	(2,372.91)
	(Increase)/Decrease in Other Current Assets	(409.66)	(1,017.47)	84.44
	(Increase)/Decrease in Other Non Current Assets	(25.92)	24.30	29.45
	Increase/(Decrease) in Trade Payables	(522.76)	(123.45)	467.22
	Increase/(Decrease) in Other financial liabilities	130.70	49.08	231.82
	Increase/(Decrease) in Other Current liabilities	(1,996.83)	(99.36)	(162.97)
	Increase/(Decrease) in Provisions	(1.65)	1.35	10.66
	<b>Cash generated from operations</b>	<b>4,094.42</b>	<b>(3,745.55)</b>	<b>(4,762.60)</b>
	Taxes Paid	(202.11)	(24.56)	(150.66)
	<b>Net Cash from operating activities</b>	<b>3,892.31</b>	<b>(3,770.11)</b>	<b>(4,913.26)</b>
<b>II</b>	<b>Cash flows from Investing Activities</b>			
	Purchase of Fixed Assets (Including CWIP)	(19.71)	(94.15)	(247.47)
	Sale of Fixed Assets	6.19	1.36	12.56
	Investment in Subsidiaries	(150.07)	(60.45)	(610.44)
	Interest Income	27.19	72.54	96.76
	(Increase)/Decrease in Other Bank Balances	(702.02)	1,250.00	2,262.83
	Creditor for Capital goods	-	-	(246.21)
	Advance for Fixed Assets	-	-	-
	<b>Net Cash From/ (Used In) Investing Activities</b>	<b>(838.43)</b>	<b>1,169.30</b>	<b>1,268.03</b>
<b>III</b>	<b>Cash flows from Financing Activities</b>			
	Proceeds from Long term borrowings	(388.26)	(21.18)	576.29
	Dividend paid	(231.48)	(77.16)	(77.16)
	Corporate Dividend tax	(47.59)	(15.86)	(15.86)
	Finance Cost	(178.67)	(157.06)	(478.88)
	Amount received towards Share warrants	-	-	446.49
	<b>Net Cash From/ (Used In) Financing Activities</b>	<b>(846.01)</b>	<b>(271.26)</b>	<b>450.88</b>
	<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>2,207.88</b>	<b>(2,872.07)</b>	<b>(3,194.35)</b>
	Cash and Cash equivalents at the beginning of the year	(2,308.62)	951.20	951.20
	<b>Cash and Cash equivalents at the ending of the year</b>	<b>(100.74)</b>	<b>(1,920.87)</b>	<b>(2,243.15)</b>

Cash and Cash Equivalents include the following for Cash flow purpose

Particulars	As at Sept 30,2019	As at Sept 30,2018	As at March 31,2019
Cash and Cash Equivalents/ Bank Balances	453.90	510.51	370.47
Less: OD/CC accounts forming part of Cash & Cash Equivalents	554.64	2,431.38	2,613.63
<b>Cash and Cash Equivalents/ Bank Balances</b>	<b>(100.74)</b>	<b>(1,920.87)</b>	<b>(2,243.15)</b>

*Ashish*

