

THE WAY IS IN THE TRAINING



being there...

ZEN TECHNOLOGIES LIMITED



THE WAY IS IN THE TRAINING



Zen (zen) n. [[Jpn <Chin ch'an, ult. <Sans dhyāna, thinking, meditation]] a sect of Buddhism, seeks to attain an intuitive illumination of mind and spirit through meditation.

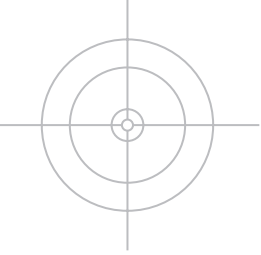
- FROM WEBSTER'S NEW WORLD DICTIONARY



being there...

Our training simulators project situations realistically. The combat situations are patterned in such a way that the trainee benefits immensely. It is said that the best training is actual combat experience in a battlefield. Zen simulators artificially duplicate the actual combat scenarios so realistically that personnel trained get the feeling of actually **being there...**





OUR PRODUCTS

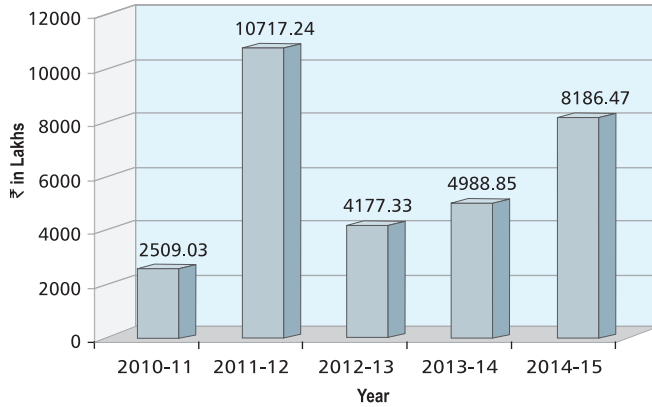
Zen has been at the forefront of applying new technologies and developing new products and is actively involved in indigenization of technologies, which are helpful for Indian Security Forces and civilian simulation market.

LIST OF PRODUCTS

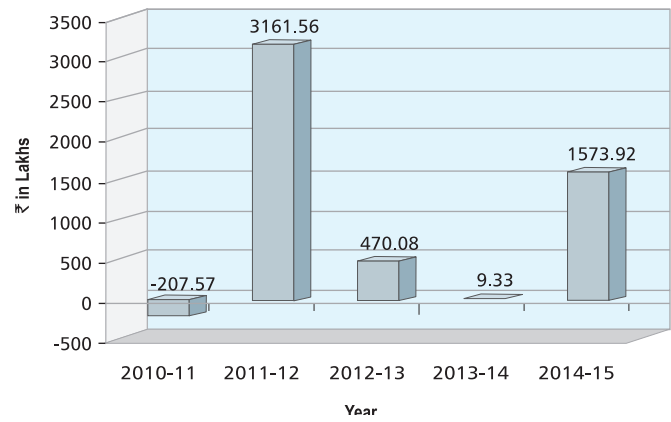
- Zen Advanced Weapon Simulator (Zen AWeSim)
- Zen Small Arms Training Simulator-SL (Zen SATS-SL)
- Zen Hand Grenade Simulator (Zen HE36S)
- Zen Driving Training Simulator (Zen DTS)
- Zen BMP-II Driving Simulator (Zen BMP - II DS)
- Zen Artillery Forward Observer Simulator (Zen ArtyFOS)
- Zen Driving Simulator (Zen DS) & Zen Automated Driving Simulator (ZEN ADS)
- Zen Tactical Engagement Simulator (Zen TacSim)
- Zen Anti-Tank Guided Missile Simulator (Zen ATGM Sim)
- Zen BMP-II Integrated Missile Simulator (Zen BMP - II IMS)
- Zen Tank Gunnery / Crew Gunnery Simulator
- Zen Tank Driving Simulator
- Zen Combat Training Simulator System (Zen CTSS)
- Zen Bus Driving Simulator (Zen BusSim)
- Zen 81mm Mortar Integrated Simulator (Zen 81mm MIS)
- Zen Smart Target System (Zen STS)
- Zen Multi-Mode Hand Grenade (Zen MMHG)
- Zen Multi-Functional Target System (ZEN MFTS)
- Zen Infantry Weapon Training Simulator (Zen IWTS)
- Zen Unmanned Aerial Vehicle Simulator (Zen UAV Sim)
- Zen Automated Driving Simulator (ZEN ADS)
- Zen Driver Aptitude Testing System (ZEN DATS)
- Zen Dumper Training Simulator
- Zen Dozer Training Simulator
- Zen Excavator Training Simulator
- Zen Medium Machine Gun Simulator (ZEN MMG Sim)
- Zen Automatic Grenade Launcher Simulator (ZEN AGL Sim)
- Zen Tank Zeroing Simulator (ZEN TZS)
- Zen Armour Combat Training Systems (ZEN ACTS)
- Zen Containerized Target Shooting Range (Zen CTSR)
- Shoot House for Live and Simulated Indoor Tactical Training
- Zen Anti Aircraft Air-Defence Simulator (Zen 3AD Sim)
- Zen Rotary Wing Simulator (Zen RWS)

PERFORMANCE OF THE COMPANY AT A GLANCE

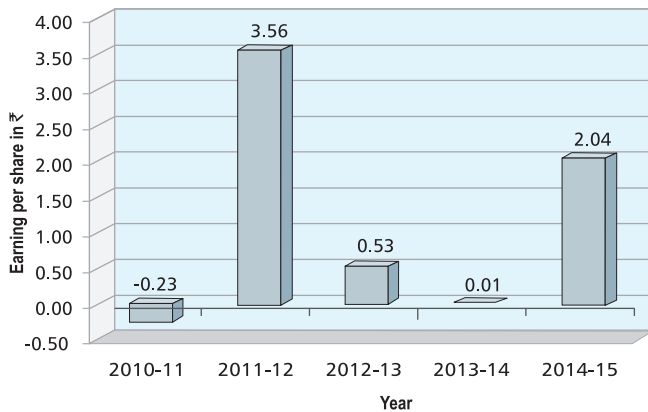
Total Income



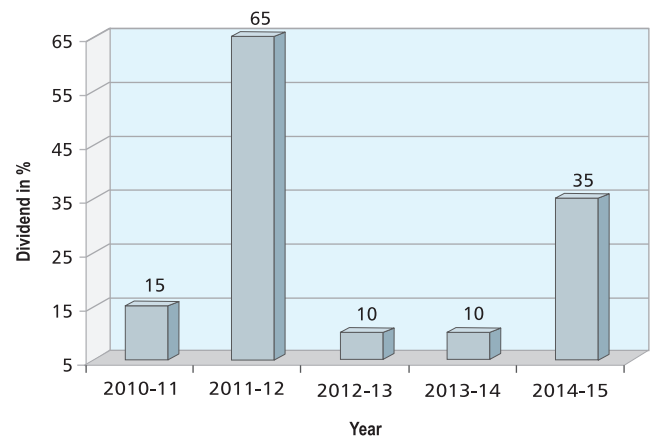
Profit after Tax



EPS

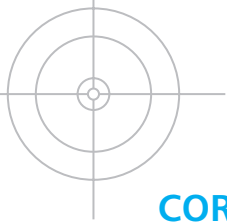


Dividend



Note - During the year 2014-15, the Company has sub-divided each Equity Share of face value of ₹ 10/- (Rupees Ten only) as existing on the Record Date (24 November 2014) into 10 (Ten) Equity Shares of face value of ₹ 1/- (Rupee One only) each fully paid-up, with effect from the Record Date. Accordingly, per share information reflects the effect of subdivision retrospectively for the earlier reporting periods.





CORPORATE INFORMATION

Registered Office B-42, Industrial Estate
Sanathnagar, Hyderabad-500018, Telangana, INDIA
CIN: L72200TG1993PLC015939
Phone: +91- 40 - 23813281, 23812894
Fax: +91- 40 – 23813694
Email id: info@zentechnologies.com
Website: www.zentechnologies.com

Board of Directors

Mr Ashok Atluri (DIN: 00056050)	- Chairman and Managing Director
Mr Midathala Ravi Kumar (DIN: 00089921)	- Whole Time Director
Cmdr Sarvotham Rao (DIN: 00015530)	- Director (up to 29 June 2015)
Mr Gajjala Prasad (DIN: 00026718)	- Director
Mrs Madati Sridevi (DIN: 02446610)	- Director
Mr Venkat Samir Kumar Oruganti (DIN: 06699271)	- Additional Director (w.e.f 14 August 2015)

President Mr Kishore Dutt Atluri

Chief Financial Officer CA Mr P V Krishna Mohan (up to 30 June 2015)

Company Secretary CS Ms M Amala

Statutory Auditors Gokhale & Co.,
Chartered Accountants
3-6-322, Off.306, Mahavir House
Basheerbagh, Hyderabad-500 029
Phone: +91- 40 – 23221167 / 23228874
Email: gokhaleandco@ymail.com

Banker Indian Bank

R & D Division B-42, Industrial Estate
Sanathnagar, Hyderabad-500018, Telangana, INDIA
Phone : +91- 40 - 23813281, 23812894
Fax : +91- 40 – 23813694

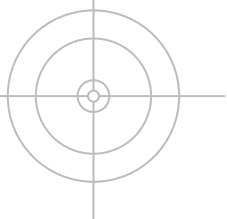
Registrar and Share Transfer Agents Karvy Computershare Private Limited
Unit: Zen Technologies Limited
Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad – 500 032
Phone: +91 -40 - 67161605
Fax: + 91- 40 - 23001153
Email id: einward.ris@karvy.com

Listed With BSE Limited, Mumbai
National Stock Exchange of India Limited, Mumbai

BOARD COMMITTEES

Audit Committee	Mr Gajjala Prasad	- Chairman
	Cmde Sarvotham Rao	- Member (up to 29 June 2015)
	Mr Ashok Atluri	- Member
	Mr Venkat Samir Kumar Oruganti	- Member (w.e.f. 14 August 2015)
Stakeholders Relationship Committee	Mr Gajjala Prasad	- Chairman
	Mr Ashok Atluri	- Member
	Mrs Madati Sridevi	- Member
Nomination and Remuneration Committee	Cmde Sarvotham Rao	- Chairman (up to 29 June 2015)
	Mr Gajjala Prasad	- Member (Chairman w.e.f. 14 August 2015)
	Mr Ashok Atluri	- Member
	Mrs Madati Sridevi	- Member
	Mr Venkat Samir Kumar Oruganti	- Member (w.e.f. 14 August 2015)
Corporate Social Responsibility Committee	Mr Gajjala Prasad	- Chairman
	Mr Ashok Atluri	- Member
	Mr M Ravi Kumar	- Member
Risk Management Committee	Mr Ashok Atluri	- Chairman
	Mr M Ravi Kumar	- Member
	Mr P V Krishna Mohan	- Member (up to 30 June 2015)
Compensation Committee	Mr Ashok Atluri	- Chairman
	Mr Gajjala Prasad	- Member
	Mrs Madati Sridevi	- Member
Selection Committee	Mr Gajjala Prasad	- Chairman
	Mr Midathala Ravi Kumar	- Member
	Mrs Madati Sridevi	- Member





CONTENTS	PAGE NO.
Chairman's Letter	1
Notice to Shareholders	6
Board's Report	16
Management Discussion and Analysis	47
Corporate Governance Report	52
Auditors' Certification on Corporate Governance	71
Certification by Chief Executive Officer and Chief Financial Officer	72
Standalone Financial Statements	
Independent Auditors' Report on Financial Statements	73
Balance Sheet as at 31 March 2015	77
Statement of Profit and Loss for the year ended 31 March 2015	78
Cash Flow Statement for the year ended 31 March 2015	79
Notes on Financial Statements	81
Consolidated Financial Statements	
Independent Auditors' Report on Consolidated Financial Statements	103
Consolidated Balance Sheet as at 31 March 2015	109
Consolidated Statement of Profit and Loss for the year ended 31 March 2015	110
Consolidated Cash Flow Statement for the year ended 31 March 2015	111
Notes on Consolidated Financial Statements	113
ECS Mandate form	
Proxy form	
Attendance Slip	
Road Map	

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

I am writing this letter to update you on the current reality and how are we placed to exploit the opportunities that are there and may come in the future.

We are in the business of design, development and manufacture of simulators for over two decades. We cater to the training needs of Indian Armed Forces, Para Military Forces (PMF), Special Forces, Police Forces, mining companies, transport fleet companies, and other customers who may need simulators. Primary focus continues to be Indian security forces.

Countries across the globe are realizing the need to develop training tools and simulators that enable the forces to train hard and be battle ready. Value of global military simulation and virtual training programs is expected to reach US\$12.6 billion by 2024. Militaries across the world are focusing on implementing innovative simulations and virtual training systems which are both cost effective and successful in the delivery of training.

The Indian forces are also on track to adapt defence simulators and create a customized training vertical. Use of simulators as a training and operational readiness tool in the Indian military has risen considerably since the late 90s. The Indian Armed Forces have recognized the significance of simulators when it comes to being battle ready.

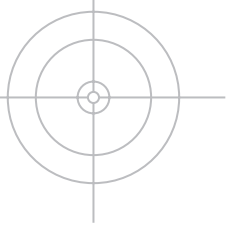
Simulators spare real-world equipment from wear-and-tear and exposure to the various variables, as well as enabling training in extreme situations that would be virtually impossible to practice live. Moreover, they can be used 24x7, under all weather conditions, and geographies. Efficacy of simulators in equipping personnel with combat and other skills have been repeatedly proved under various test conditions.

We have sold over 700 simulators to over 100 customers across length and breadth of our country and abroad, sometimes against very tough international competition. Our customers are very happy with the results they have achieved by using our simulators. As a result, we have been getting Repeat Orders from our satisfied customers. We will continue to strive to exceed their expectations.

We owe our modest success to our proactive approach, strong focus on R&D, well-calculated risks, and careful financial planning. Almost 40% of Zenists are involved in the R&D and significant part of the revenue continues to be invested in R&D. As a result we have an impressive array of products. I am proud to say that all our land forces simulators are almost 100% indigenously designed and developed with the Intellectual Property (IP) ownership resident with us.

Our focus so far has been in design and development of virtual and live simulators to meet the needs of the land forces. We want to expand our focus as:-

- Indian Armed Forces have huge requirement of flying simulators for fixed as well as rotary wing aircrafts. So far they have been depending on foreign companies for the same. We plan to address this market by offering users an indigenous solution. For this purpose, we have entered into a Strategic MoU with Rockwell Collins USA to address this segment for Indian market.
- We see huge opportunities in the field of constructive Simulation. Indian Air Force (IAF) & Indian Navy have already issued RFIs for war-gaming solutions and Army is also going to follow suit. We have Strategic Partnership with IABG Germany for co-development of products for Indian Defence Forces for this requirement.
- We are also focusing on the huge opportunities offered to us through Defence Offsets. We are actively pursuing various foreign OEMs to opt us as their Indian Offset Partners (IOP). We have received encouraging response and hope to generate reasonable amount of business through Defence Offset in the coming years.



- Annual Maintenance Contracts (AMC) for repair & maintenance of our simulators sold to defence forces are expected to bring in substantial revenues to Zen over the next few years. We have a very strong Customer Support Department (CSD), which is the second largest department in your company after R&D department. We respond to the customer calls immediately. We use information technology extensively to monitor the quality of the response from our team. Recently, we have started using a mobile app called AloClient that has helped us in improving the service quality of the CSD personnel and their productivity which has been effective in bringing down the costs. Because of such efforts we have recently got a AMC contract for maintaining about 120 simulators for a period of five years. We hope to get a few more AMC Contracts soon.
- We see huge opportunity in export of our systems and are pursuing the same very seriously. Earlier the focus was on selling training simulators per se, but now the focus has shifted to offering full-fledged solutions through Combat Training Centres.
- Zen's main strength is in Research & Development; once an R&D product is prototyped, we make the hardware part of it ready for production and release the drawings to our vendor base to manufacture majority of the components. We integrate various sub-systems received from the vendors after requisite quality checks. If we were to get large orders, say of the value ₹ 500 Crores, we expect our vendors to scale up and execute our orders with ease. Zen, per se, will not have to invest in scaling up its plant and machinery. Any capex requirements if we get large orders, is expected to be very minimal. It may be relevant to bear in mind that the major component in Zen's products is software for which the marginal cost of production is almost zero.

Interaction with Government

In addition to the above initiatives, to ensure that our Govt, in line with its commitment to make India self-reliant in defence, favors indigenization of defence technologies, a group of companies including Zen, through industry chambers such as DIIA, CII, and FICCI, are interacting with MoD to bring changes in defence procurement policies and procedures that will

1. Encourage procurement of indigenously designed, developed and manufactured defence weapons and systems
2. Procure items that are manufactured under Transfer of Technology (licensed or bought-out) only if indigenously designed and developed technology (as in 1) is not available, and
3. Import equipment only when such items are not being manufactured under ToT (as in 2) in India .

In addition to rapid innovation leading to global leadership in defence industry, these changes will help companies which have indigenously designed and developed products for existing requirements to be ready to take on other future development of indigenous projects as and when it is projected by the Armed Forces. Defence Procurement procedure (DPP)-2013, which contains policies and procedures for procurement of defence equipment, is under revision and new version is likely to be announced soon.

We are hopeful that new document will be directed to facilitate indigenous design and development and require higher indigenous content for Buy Indian programs, in alignment with Govt's objective of making India a net exporter of defence equipment in years to come.

#DesignDevelop&MakeInIndia: The new Government is aggressively promoting #MakeInIndia. While #MakeInIndia may be very good for other sectors, for strategic industry like Defence, it has to be #DesignDevelop&MakeInIndia. Make in India will only encourage setting up manufacturing facilities which may create a few job opportunities, even though that is also doubtful as most of foreign OEMs who want to manufacture in India have plans to do so with automated plant & machinery generating very few jobs. They are justifying their actions by giving complex labour laws, difficult labour unions, non-availability of skilled workforce, financial non-viability, etc., as the reasons. Unless the labor laws are simplified and streamlined, chances of labor intensive plants coming to India are quite remote. In any case rapid automation of factory is a reality which we will have to face eventually. Cost of robots will come down rapidly following the familiar Moore's law which will result in widespread unemployment. So how does the

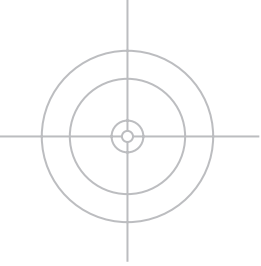
country face it? The simple solution is to move up the value chain and focus on #DesignDevelop&MakeInIndia. Up to 80% of the value is captured by those companies that Design and Develop products. In India, we have to capture this value. Only when we do this, Govt will have capital to re-train Indians for new job skills that will be required in a changed environment. As you are aware, Zen from the date of its inception, has followed the principle of designing and developing its own products with complete ownership of IP.

Coming back to Defence, #MakeInIndia will be misused by foreign companies and only the dumb metal will be manufactured in India, while the IP right in the software and the technology of the equipment will be resident overseas. This is not acceptable. This Built-to-Print jobs is not what we should aspire for. We should aspire for designing and developing the defence equipment in India. This can be achieved by giving a clear cut preference through policy initiatives to equipment that are designed and developed in India vs just manufactured in India. If self-sufficiency and global leadership is what we aspire for in certain segments of defence, the only way is to stress #DesignDevelop&MakeInIndia.

Higher Indigenous content (IC) in a 'Buy Indian' Category: 'Buy Indian' implies that only Indian Companies will participate in the procurement process. However, it does not mean that only Indian product will be offered. It means that so long as the product has 30% indigenous content, it can be fielded for trial, evaluation and procurement. Thus 'Buy Indian' categorization per se is misnomer. It actually is a back door entry for the foreign products and OEMs to legally participate in the procurement process. What is worse, this has become a convenient route to induct discarded, obsolete obsolescent technology of foreign countries, into our country. Such products are obviously very cheap and difficult to beat in a competitive environment. Interestingly, most of these foreign OEMs like to field their products through a 'Defence PSU' or large private companies, for obvious reasons. In such an environment, Indian companies that have designed and developed truly Indian products lose out in the end. The 30% was minimum expected IC but minimum has turned out to be maximum IC as there was no incentive for companies that indigenize more than the necessary 30%. We have recommended that 30% requirement should be revised higher. Also we have suggested unless specific encouragement is given to indigenously designed and developed products, there will be no incentive for firms to spend on R&D, and most of the Indian companies will continue to peddle foreign stuff – either by importing it or by getting the Transfer of Technology and acting like manufacturing coolies for foreign suppliers. Our scientific talent will remain unemployed and IP ownership will remain with foreign companies. We cannot afford not owning key technologies in strategic areas. We should start spending money strategically to ensure that capability built within the country is preserved. Time has come for us to move up the value chain.

Buy Indian for Immediate Requirement: One for the recommendations that the Industry Associations have given to the Government is to find out from Indian industry whether there are any indigenously designed and developed products available that they need to buy/procure. If such products are available, they should be evaluated and if they technically qualify with all necessary parameters, order may be placed on the firm as long as the price is less than international prices. However, it should be ensured that the product is truly indigenously designed and developed (with minimum indigenous content at 75% or so) and not just made from foreign bought-out or licensed technology. To verify whether the product is 'truly' Indian or not is reasonably easy – for software we can check the algorithms and source code; for electronics we can check the circuit diagrams, firmware, etc.; for mechanical items we can check the drawings, etc. Organizations like DGQA can have dedicated teams to certify such claims in a very short time. This is a reasonably simple way to ensure that false claims are not being made. In fact, Govt should go ahead and make the management and the Board of Directors criminally liable if they make false claims under this sacred category.

Another benefit of such procurement is that our pool of scientific talent who have developed the technology are given the encouragement to do more such designing and development of sophisticated software, complex algorithms, technology etc. This will ensure that better products are being designed and, slowly but surely, it will ensure genuine global leadership for Indian products in some defence segments. A virtuous cycle in action.



Encourage Indian Companies to Develop Equipment ab Initio: Presently most procurements by MoD are on 'No Cost No commitment' (NCNC) basis. We propose that some of MoD procurement from Indian Industry are carried out on NCFC - No Cost, (but) Full Commitment - basis. Ask the Indian firms to develop equipment at their own cost, if found acceptable, then procure the equipment in specified quantity, price, and timeline be assured. This skin-in-the-game approach is better than 80% being funded by the Govt. where the risk is taken by the Govt. However, for some long term, larger and complex projects, where Indian firms are not willing to offer on NCFC basis, 80% Govt. funding route may be the only option.

FDI beyond 49% should not be permitted in defence companies as this will be detrimental to long term interests of the country. Indian market is big enough and 49% is a generous percentage of FDI to hold. FDI should be capped at 49%.

Export Promotion: In the last one year, the export clearance procedure has improved considerably. But it can be further streamlined by announcing countries with which we can do business and those with whom we can't do any business. Distribute list of defence equipment develop in India to all embassies for promotion through Defence Attaches. Encourage participation in overseas defence exhibitions through requisite help from Indian embassies there. Encourage procurement of fully formed products by foreign vendors from Indian sources as an offset requirement. In addition to signing contracts and awarding big defence contracts on foreign visits, we should try to sell Indian defence equipment too.

We sincerely believe that our above stated efforts by various associations will bear fruits in years to come.

I would also like to take this opportunity to share with you the practice that we follow in Zen with regards to R&D expenses. Zen writes off R&D in the period it is incurred. The debate is while the rewards of R&D are in the future, is it right to write-off the R&D when it is incurred? AS-26 lays down a principle where it says that when income pertaining to any development is uncertain we should write it off in the period of incurrence (The AS-26 actually differentiates between Research and Development). The downside is very apparent - the profits get affected, but I think that reality is reflected with such treatment of accounts. The fact is that cash is gone and we will make money in future only if the product is successful and it is difficult to guarantee the success of the product. But there is an upside to such behavior - in the future, if and when product becomes successful, all profits are pure and the money that you receive is with no strings attached. Writing off R&D expense as it is incurred has another subtle downside - the balance sheet doesn't show the products that have been developed. Only careful reading of Annual Reports will reveal products that we have developed these products. Some in-house R&D developed products, for which tenders are yet to be issued by the Defence, include:-

- UAV Simulator (for HALE (High Altitude, Long Endurance) and MALE (Medium Altitude, Long Endurance) UAVs)
- Tactical Engagement Simulator
- Infantry Weapons Training Simulator
- Armour Combat Training System
- Tank Zeroing System
- Driving Simulators for Tatra and ALS
- Medium Machine Gun Simulator
- Automatic Grenade Launcher Simulator
- 81mm Integrated Mortar Simulator
- Containerised Tubular Shooting Range

The Future Ahead

If Govt of India – like USA and other developed countries Governments - were to give preference to products that are indigenously designed, developed, and manufactured in India over those that are just imported or those just manufactured under Transfer of Technology then we expect it will help businesses that have taken enormous risks to develop IP-owned defence products. While all the products listed above were developed in anticipation of foreign competition, the new Government's strategic policies of Buy Indian, in order to gain self-reliance in defence, may prove to be of great benefit to Zen.

In conclusion, I would like to state that I am very optimistic of a bright future for Zen under the new Government, given their stress on self-sufficiency and self-reliance in defence. Not only do we aspire to fulfill Indian defence needs - we aspire to be a leader in the global training and simulation market. And it looks possible, now more than ever.

I would like to thank all our stakeholders including our customers, Zenists, suppliers, bankers, state and central Governments. And finally, thanks to all of you for all your support and good wishes.

With best regards

Ashok Atluri

Chairman and Managing Director



NOTICE TO SHAREHOLDERS

Notice is hereby given that the 22nd Annual General Meeting (AGM) of the Company will be held on Saturday the 26 September 2015 at 9.30 a.m. at the Registered Office at B-42, Industrial Estate, Sanathnagar, Hyderabad - 500 018, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 March 2015 including Audited Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend for the financial year ended 31 March 2015.
3. To appoint a director in place of Mr Ashok Atluri (DIN: 00056050), who retires by rotation and being eligible offers himself for reappointment.
4. To ratify the appointment of Statutory Auditors of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the recommendation of the Audit Committee and the Board of Directors and pursuant to the approval of the Members at the 21st Annual General Meeting, the Company hereby ratifies the appointment of M/s Gokhale & Co., Chartered Accountants, Hyderabad, Firm Regn. No. 000942S as Statutory Auditors of the Company to hold office until the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2017, at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Act and Clause 49 of the Listing Agreement, as amended from time to time, the consent of members of the Company be and is hereby accorded to appoint Mr Venkat Samir Kumar Oruganti (DIN: 06699271), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of Independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (Three) consecutive years i.e., from 14 August 2015 to 13 August 2018, not liable to retire by rotation."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), amendment or re-enactment

thereof for the time being in force), Rules and Regulations framed thereunder, consent of the Company be and is hereby accorded for revision in remuneration payable to Mr Kishore Dutt Atluri, brother of Mr Ashok Atluri, Chairman and Managing Director of the Company, to hold and continue to hold office or place of profit as President of the Company for a period of five years with effect from 1 October 2015 on the following terms and conditions and remuneration, as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company:

- A. **Basic Salary** – ₹ 1,78,000/- (Rupees One Lakh Seventy Eight Thousand only) per month
- B. **House Rent Allowance (HRA)** – At the rate of 40% of Basic Salary – ₹ 71,200 (Rupees Seventy One Thousand Two Hundred only) per month
- C. **Incentive** – @1% based on Net Sales of the Company for each financial year
- D. **Other Perquisites and Allowances** – In addition to the prescribed Basic Salary, HRA and Incentive, Mr Kishore Dutt Atluri will also be entitled to the following perquisites and allowances restricted to a maximum amount of ₹ 6,00,000 (Rupees Six Lakhs) per annum:
 - i. **Mediclaim Policy Premium:** As provided by the Company group mediclaim policy
 - ii. **Club Fee:** Fee of clubs subject to maximum of two clubs. This will not include admission and life membership fees.
 - iii. **Personal Accident Insurance:** As per the Company's policy.
 - iv. **Gratuity:** At the rate not exceeding half a month's salary for each completed year of service.
 - v. **Use of Car with Driver:** The Company shall provide a car with driver for business use. The Company will bill use of car for personal purposes.
 - vi. **Communication facilities:** The Company will provide all communication facilities like Telephone /Internet /Mobiles /Fax at residence of Mr Kishore Dutt Atluri and will pay the bills on actual basis.

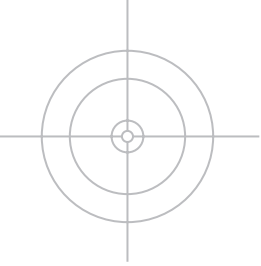
RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to alter or vary the terms relating to the payment of remuneration as it may deem fit in the interest of the Company and to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation to finalizing and executing any agreement, deeds and such other documents as may be necessary and to delegate all or any of the powers vested or conferred herein to any Director(s) or Officer(s) of the Company as may be required to give effect to this resolution."

By order of the Board
For Zen Technologies Limited

Registered Office:

B-42, Industrial Estate,
Sanathnagar, Hyderabad -18
CIN: L72200TG1993PLC015939
Email: investors@zentechnologies.com
Website: www.zentechnologies.com
Tel: +91 40 23813281
Fax: +91 40 23813694
Date: 14 August 2015

M Amala
Company Secretary
(M.No. FCS 7611)



NOTES:

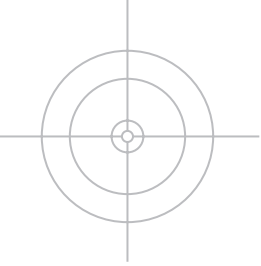
1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the AGM is annexed hereto.
2. A member entitled to attend and vote at this AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and such proxy need not be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
3. Members/proxies/authorized representatives are requested to bring their copies of Annual Report and produce duly filled in attendance slip at the entrance of the venue. Members holding shares in Demat form shall write their DP ID and Client ID and those holding in Physical form shall write their Folio No. in the attendance slip for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer books of the Company will remain closed from 22 September 2015 to 26 September 2015 (both days inclusive) for the purpose of payment of dividend for the financial year ended 31 March 2015 and the AGM.
6. The International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE251B01027. Trading in the equity shares of the Company through Stock Exchanges was made compulsory in dematerialized form. Shareholders are advised to open demat accounts with any of the Depository Participants (DPs) of their choice registered with NSDL and CDSL and convert their physical holding into electronic holding.
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts, so as to enable the Company to dispatch dividend warrants to their correct address. Members holding shares in physical form are requested to notify/send any change in their address and bank account details to the Company / Registrar and Share Transfer Agents, M/s Karvy Computershare Private Limited (Karvy). Members are encouraged to utilize Electronic Clearing System (ECS) for receiving dividends.
8. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors for the year ended 31 March 2015, if declared at the meeting, will be paid within a period of 30 days from the date of declaration to those members whose names appear on the Register of Members of the Company as on record date after giving effect to all valid share transfers in physical form which would be received by the Company up to the end of business hours on record date. In respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose.
9. Pursuant to the provisions of the Companies Act, 1956, the Company has transferred the unpaid/unclaimed dividend for the financial year 2006-07 on 1 December 2014 to the "Investor Education and Protection Fund" (IEPF) established by the Central Government. **The Company will be transferring the unpaid/unclaimed**

dividend declared for the financial year 2007-08 to IEPF in November 2015. Please note that once the unclaimed dividend is transferred to the aforesaid 'Investor Education and Protection Fund', no claim shall lie in respect thereof. Last date for claiming the same is 15 October 2015. Shareholders who have not so far encashed the dividend warrant(s), with regard to the dividends for the financial years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 are requested to seek issue of Demand Draft by writing to the Company's Registrar and Share Transfer Agent (Karvy) or the Company.

10. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27 September 2014 (date of last Annual General Meeting) on the website of the Company at http://www.zentechnologies.com/investor_relations/zen-unpaid-unclaimed-dividend.php

For the year 2013-14, the unclaimed dividend details are provided at: http://www.zentechnologies.com/investor_relations/Unclaimed-dividend-2013-14-as-on-30-11-2014.pdf

11. Non-Resident Indian Members are requested to inform Karvy, immediately of:
 - a. Change in their residential status on return to India for permanent settlement
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code number, if not furnished earlier.
12. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
13. All relevant documents referred in the accompanying Notice and explanatory statement are open for inspection to the Members at the Registered Office of the Company during business hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays up to the date of the AGM.
14. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to Karvy.
15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Karvy/Depository Participant to enable the Company to send communications electronically.
16. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with Karvy / Depository Participant, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
17. Members may also note that the Notice of the 22nd AGM along with the Annual Report 2014-15 will be available on the Company's website, www.zentechnologies.com. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members desiring any information as regards accounts are requested to write to the Company to: investors@zentechnologies.com, at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.



18. Additional information, pursuant to Clause 49 of the Listing Agreement with the stock exchanges, in respect of the directors seeking appointment / re-appointment at the AGM is furnished hereunder. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

Additional information, pursuant to Clause 49 of the Listing Agreement with the stock exchanges:

a) **Mr Ashok Atluri, Chairman and Managing Director**

Mr Ashok Atluri, Chairman and Managing Director of the Company is liable to retire by rotation and being eligible for re-appointment at the forthcoming Annual General Meeting of the Company has offered himself for re-appointment.

Mr Ashok Atluri, a Bachelor of Commerce and a PG Diploma holder in Applied Computer Science also has experience in the field of Business Management, Strategy, Finance and Administration. He has been instrumental in helping to design the simulators so that they would be simple to use, and ensured that the products would be based on industry standards, by developing the software on the Windows-Intel platforms. He is also a recipient of the "Small Scale Entrepreneur of the Year" award from Hyderabad Management Association in 1998.

He holds 2,54,02,900 equity shares of the Company. He is also Director on the Board of your Company's subsidiary, Version 2 Games Limited. In addition he is Director of Zen SkillProc Private Limited, Zentech Offsets Management Services Private Limited, NWS Digital India Private Limited, Mosaic Media Ventures Private Limited and Defence Innovators and Industry Association.

b) **Mr Venkat Samir Kumar Oruganti, Director**

Mr Venkat Samir Kumar Oruganti is B.Tech (Hons') from IIT, Kharagpur and PGDM (MBA) from IIM, Calcutta. He worked for MECON (I) Ltd, a leading consultancy organization in the field of engineering technology as a techno-commercial engineer and as a trainee engineer at Tata Motors. Later, he worked on the fertilizer project of Nagarjuna Fertilizers from concept to commissioning. During his association with Reliance Industries Limited, marketing of natural gas was started to fertilizer and power projects in the Andhra Pradesh/Telangana. He has 30 years of experience in the field of Project Management – Financing and Execution, Marketing and Government Relations.

Mr Venkat Samir Kumar Oruganti is Director on the Boards of his own companies, Panchavati Beverages Private Limited and Panchavati Entrepreneurs Private Limited. He doesn't hold any Committee memberships.

Mr Venkat Samir Kumar Oruganti does not hold any Equity Shares of your Company. Mr Venkat Samir Kumar Oruganti submitted declaration that he is not a partner or relative to any of the Directors of Zen Technologies Limited.

19. Voting by electronic means:

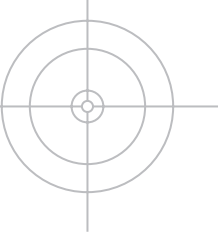
- I. The Company pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 substituted by the Companies (Management and Administration) Rules, 2015 and Clause 35B of the Listing Agreement, is providing e-voting facility to its Members holding shares on 19 September 2015, being the cut-off date fixed for determining voting rights of members to exercise their votes electronically on the items of business given in the Notice through the electronic voting service facility provided by M/s Karvy Computershare Private Limited.

II. The procedure and instructions for remote e-voting are as follows:

- (i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- (ii) Enter the login credentials (i.e., user-id & password) provided to you as mentioned in a separate paper sent along with the Annual Report. Your Folio/DP and Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- EVENT No. followed by Folio Number registered with the Company
Password	Your unique password is printed on the separate paper/ via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- (iii) Please contact our Toll free No. 1-800-34-54-001 for any further clarifications.
- (iv) Members can cast their vote online from 22 September 2015 from 10.00 a.m. to 25 September 2015 up to 5.00 p.m. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., 19 September 2015, may cast their vote electronically. The remote e-voting module will be disabled by Karvy for voting thereafter.
- (v) After entering these details appropriately, click on "LOGIN".
- (vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) You need to login again with the new credentials.
- (viii) On successful login, system will prompt to select the 'Event' i.e., Zen Technologies Limited.
- (ix) If you are already registered with Karvy Computershare Private Limited for e-voting, you can use your existing User-ID and Password for casting your vote.
- (x) On the voting page, you will see Resolution Description and against the same the option 'IN FAVOUR/ AGAINST' for voting. Enter the number of shares (which represents number of votes) under 'IN FAVOUR/ AGAINST' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'IN FAVOUR/AGAINST' taken together should not exceed your total shareholding.
- (xi) After selecting the resolution, if you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL "and accordingly modify your vote.

- 
- (xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote subsequently.
- (xiii) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (xiv) Only those Members, whose names appear in the Register of Members / List of beneficial owners as on Saturday the 19 September 2015 (Cut-off date), shall be entitled to vote (through remote e-voting / physical ballot paper) on the resolutions set forth in the Notice of the 22nd AGM and their voting rights shall be in proportion to their shares in the paid up equity share capital of the Company as on the Cut-off date.
- (xv) Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19 September 2015 and who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the AGM.
- (xvi) Members can opt for only one mode of voting i.e. either by physical ballot paper or remote e-voting. However, if Members cast their vote through both mode of voting, then the voting through remote e-voting shall prevail.
- (xvii) The Members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.
- (xviii) Any person, who acquires shares and becomes Member of the Company after the despatch of the Notice and holds shares as on the Cut-off date i.e. Saturday the 19 September 2015 may obtain the login ID and password in the manner mentioned below:
- a) If the mobile number of the Member is registered against Folio No./DP ID – Client ID, the Member may send SMS: MYEPWD <space> e-voting Event Number + Folio No. or DP ID Client ID to 9212993399
 - b) Example for NSDL: MYEPWD <SPACE>IN12345612345678
 - c) Example for CDSL: MYEPWD <SPACE>1402345612345678
 - d) Example for Physical: MYEPWD <SPACE> e-voting Event Number+Folio No.
 - e) If e-mail address or mobile number of the Member is registered against Folio No./DP ID-Client ID, then on the home page of <https://evoting.karvy.com>. The Member may click "Forgot Password" and enter Folio No. or DP ID-Client ID and PAN to generate a password.
 - f) Member may call Karvy's toll free number 1800-345-4001.
 - g) Member may send an e-mail request to evoting@karvy.com or contact Mr R Chandra Sekher Ph: 040-67161602 /1605, at Karvy Computershare Private Limited, Unit: Zen Technologies Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, requesting for User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No (i) to (xiii) as mentioned above, to cast the vote..
- (xix) The Board of Directors has appointed Mr Mahadev Tirunagari, Practicing Company Secretary, (Membership No. FCS 6681), as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- (xx) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
- (xxi) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.
- (xxii) Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed at the 22nd Annual General Meeting of the Company held on Saturday the 26 September 2015. The result declared, along with the Scrutinizer's Report, will be placed on the Company's website, www.zentechnologies.com and on the website of Karvy immediately after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to the BSE Ltd and National Stock Exchange of India Ltd.
- (xxiii) All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days (except Saturday & Sunday) up to the date of declaration of the result of the 22nd Annual General Meeting of the Company.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

Mr Venkat Samir Kumar Oruganti (DN: 06699271) was appointed as an Additional Director (Non Executive Independent) of the Company with effect from 14 August 2015 in the Board Meeting held on 14 August 2015, pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and holds office up to the date of this AGM.

The Company has received from Mr Venkat Samir Kumar Oruganti (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that Mr Venkat Samir Kumar Oruganti is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that Mr Venkat Samir Kumar Oruganti meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of your Company, after reviewing the documents submitted by Mr Venkat Samir Kumar Oruganti are of the opinion that the said Director fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and Mr Venkat Samir Kumar Oruganti is independent of the Management. The terms and conditions of appointment of Mr Venkat Samir Kumar Oruganti shall be open for inspection by the Members at the Registered Office of the Company during working hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays till the conclusion of the AGM.

The Company has also received notice in writing from member along with the deposit of ₹ 1,00,000/- in terms of Section 160 of the Companies Act, 2013 proposing the candidature of Mr Venkat Samir Kumar Oruganti for the office of Independent Director of the Company to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr Venkat Samir Kumar Oruganti as an Independent Director of the Company for a period of 3 years up to 13 August 2018 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will not be liable to retire by rotation.

No Director, Key Managerial Personnel or their relatives, except Mr Venkat Samir Kumar Oruganti, to whom the resolution relates, are concerned or interested in the resolution.

The Board of Directors in the interest of the Company recommends the resolution set out at Item No. 5 of the Notice for the approval of the members.

ITEM NO. 6

The members of the Company had passed a special resolution, pursuant to erstwhile Section 314(1B) of the Companies Act, 1956 on 24 September 2009 approving Mr Kishore Dutt Atluri to hold and continue to hold an office or place of profit as President of the Company on such remuneration and terms and conditions as may be decided by the Board, subject to an overall limit of ₹ 6,00,000/- per month.

The Central Government vide its letter dated 11 November 2010 approved the above said proposal.

Based on the approval of the Members and the Central Government, the Board in its meeting held on 11 February 2011 fixed ₹ 1,90,000/- p.m. as monthly remuneration payable to Mr Kishore Dutt Atluri as President of the Company.

Further, in accordance with the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder, the Board in its meeting held on 8 November 2014, enhanced the remuneration payable to

Mr Kishore Dutt Atluri to ₹ 2,49,200/- p.m. as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee.

Mr Kishore Dutt Atluri has deep insight into the science of simulation industry. Under his guidance, the Company has grown manifold to become one of the prime equipment suppliers of Army. Considering the growth oriented performance of Mr Kishore Dutt Atluri, the Nomination and Remuneration Committee, the Audit Committee and the Board of Directors of the Company at respective meetings held on 14 August 2015 approved, subject to approval of the members pursuant to Section 188 of the Companies Act, 2013, the revision in remuneration payable to Mr Kishore Dutt Atluri w.e.f. 1 October 2015.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 and amendments thereto, are as under:

Name of the related party:	Mr Kishore Dutt Atluri
Name of the Director or Key Managerial Personnel who is related, if any:	Mr Ashok Atluri, Chairman and Managing Director of the Company
Nature of relationship:	Mr Kishore Dutt Atluri is brother of Mr Ashok Atluri
Nature, Material terms, Monetary value and particulars of the contract or arrangement:	Mr Kishore Dutt Atluri had been holding the office or place of profit as President of the Company. His remuneration is proposed to be revised as per the terms set out in the resolution given at item number 6.
Any other information relevant or important for the Members to take a decision on the proposed resolution:	NIL

In terms of the provisions of Section 188 of the Companies Act, 2013 and amendments thereto, approval of the members is being sought by way of an Ordinary Resolution for revision in remuneration payable to Mr Kishore Dutt Atluri w.e.f. 1 October 2015, as he is a related party being brother of Mr Ashok Atluri, Chairman and Managing Director of the Company.

Except Mr Ashok Atluri, being relative of Mr Kishore Dutt Atluri, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said resolution.

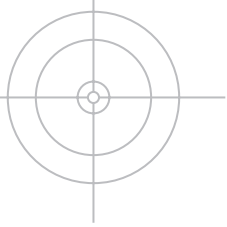
No member of the Company who is related party shall vote to approve the ordinary resolution.

The Board recommends the ordinary resolution given at item no. 6 for the approval of the members of the Company.

By order of the Board
For Zen Technologies Limited

Registered Office:
B-42, Industrial Estate,
Sanathnagar, Hyderabad -18
CIN: L72200TG1993PLC015939
Email: investors@zentechnologies.com
Website: www.zentechnologies.com
Tel: +91 40 23813281
Fax: +91 40 23813694
Date: 14 August 2015

M Amala
Company Secretary
(M.No. FCS 7611)



BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 22nd Annual Report of the Company along with the Audited Financial Statements for the financial year ended 31 March 2015.

FINANCIAL RESULTS

The financial highlights of the Company are as follows:

Particulars	(₹ in Cr)	
	2014-15	2013-14
Total Income	81.86	49.89
Total Expenditure	57.67	45.73
Operating Profit (PBIDT)	24.19	4.16
Interest	2.13	2.48
Depreciation & Amortization	2.25	1.57
Profit before tax	19.82	0.11
Provision for Tax	4.08	0.02
Deferred Tax Liability	-	-
Profit after Tax	15.74	0.09
Appropriations:		
Transferred to General Reserve	1.39	-
Proposed Dividend	2.70	0.77
Dividend Tax	0.55	0.13
Retained profit	11.10	-
Earnings Per Share (₹) (face value of Equity Share of ₹ 1/- each) - Basic	2.04	0.01

STATE OF THE COMPANY'S AFFAIRS

During the year under review, your Company achieved total income of ₹ 81.86 Crores as against ₹ 49.89 Crores during the previous year. The Net profit after tax stood at ₹ 15.74 Crores (₹ 9.33 Lakhs for the previous year). The Earnings Per Share (EPS) of face value of ₹ 1/- each is ₹ 2.04 (previous year's EPS ₹ 0.01).

The order book size as on 31 March 2015 is around ₹ 118.94 Crores including AMCs of worth ₹ 79.04 Crores as against ₹ 3.84 Crores excluding AMCs for the previous year.

During the year, the R&D expenditure (capital and revenue) is ₹ 13.07 Crores (previous year 20.66 Crores). The R&D products developed during the year have substantial scope for revenue generation and are expected to become commercially viable in the next two years.

STRATEGIC ALLIANCE

During the year under review, your Company signed a Memorandum of Understanding (MoU) with Rockwell Collins, an American Company having facilities in Hyderabad and near New Delhi to combine their strengths in simulation and training to offer industry-leading, high fidelity solutions to Indian military customers. This alliance marks the first time that a global simulator original equipment manufacturer has partnered with an Indian simulator manufacturing company to cater to the Indian Defence market.

Further to MoU, your Company and Rockwell Collins joined their forces in military flight simulation by unveiling a next generation rotary wing simulator at Aero India 2015. This strategic alliance will produce high fidelity innovative solutions while also ensuring cost benefits for customers across the region since the alliance's capabilities are indigenized, including in software, electronics and visuals. With the rotary wing platform launch, both companies aim to emerge, in the near future, as key partners to the Indian Armed Forces.

DIVIDEND

Your Directors have recommended a dividend of ₹ 0.35 per Equity Share (35 percent) of face value of ₹ 1.00 each of the Company for the financial year ended 31 March 2015, amounting to ₹ 3.25 Crores, (including dividend tax of ₹ 0.55 Crores). The dividend, if approved, at the ensuing Annual General Meeting to be held on 26 September 2015, will be paid to those members whose names appear in the Register of Members as on record date. The Register of Members and Share Transfer books of the Company will remain closed from 22 September 2015 to 26 September 2015 (both days inclusive) for the purpose of payment of dividend for the financial year ended 31 March 2015 and the AGM.

TRANSFER OF AMOUNT TO RESERVES

An amount of ₹ 1.39 Crores out of the current profits for the year are transferred to General Reserves. An amount of ₹ 11.10 Crores is proposed to be retained in the surplus.

SUB-DIVISION OF EQUITY SHARES AND CONSEQUENT AMENDMENT IN MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

During the year, with a view to broad-base the investor base by encouraging the participation of the small investors and also to increase the liquidity of Equity Shares of the Company, the Company after obtaining members approval on 18 September 2014 through Postal Ballot has sub-divided each Equity Share of face value of ₹ 10/- (Rupees Ten only) as existing on the Record Date (24 November 2014) into 10 (Ten) Equity Shares of face value of ₹ 1/- (Rupee One only) each fully paid-up, with effect from the Record Date.

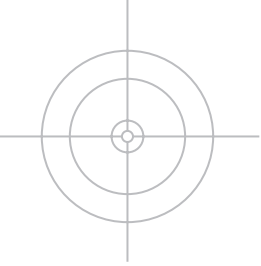
Consequent upon sub-division of Equity Shares of the Company, the Capital Clause of Memorandum of Association and Article 4 of the Articles of Association of the Company were amended with the approval of the members through Postal Ballot i.e. from ₹ 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- (Rupees Ten only) each to 20,00,00,000 (Twenty Crores) Equity Shares of ₹ 1/- (Rupees One only) each.

ESTABLISHMENT OF 100% WHOLLY OWNED SUBSIDIARY COMPANY AT AJMAN FREE ZONE AUTHORITY, AJMAN, UAE

As a part of the expansion program, the Board accorded its consent to establish a 100% wholly owned subsidiary company at Ajman Free Zone Authority, Ajman, UAE to tap the global market for the products of the company.

ALLOCATION OF SUB-LIMITS FOR PORTFOLIO INVESTMENT WITHIN THE DEFAULT PORTFOLIO INVESTMENT LIMIT OF 24% OF THE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY

In terms of applicable provisions of the Foreign Exchange Management Act, 1999 (which along with the regulations framed thereunder be referred to as "FEMA"), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (including any statutory modification(s), amendment or re-enactment thereof for the time being in force), and pursuant to Reserve Bank of India A.P. (DIR Series) Circular No. 46 dated 8 December 2014 on Foreign Direct Investment (FDI) in India – Review of FDI policy –Sector Specific conditions-Defence, the Company passed Special Resolution on 9 March 2015 by way of Postal Ballot for allocation of sub-limits for Portfolio Investment for Registered Foreign Portfolio Investor/s (including Qualified Foreign Investor/s and Foreign Institutional Investor/s), Foreign Venture Capital Investor/s up to 20% and for Non Resident Indian/s up to 4% in the



shares of the Company, within the default portfolio investment limit of 24% of the paid-up equity share capital of the Company and to enable RBI to monitor the RFPs, FVCIs and NRIs holdings of the Company.

Accordingly, Reserve Bank of India vide its Press Release dated 13 March 2015 advised that FIIs/RFPs can invest up to 20% and Non Resident Indian (NRI)/Persons of Indian Origin (PIO) can invest up to 4% of the paid up capital of Zen Technologies Limited under the Portfolio Investment Scheme (PIS).

LISTING OF COMPANY'S EQUITY SHARES ON THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED, MUMBAI

The Company had made application to the National Stock Exchange (NSE) for getting the shares listed on the Exchange. NSE vide its letter dated 26 March 2015, granted listing approval stating that the equity shares of the Company shall be listed and admitted to dealings on the Exchange w. e. f. 30 March 2015. Accordingly, the equity shares of the Company got listed on NSE with effect from 30 March 2015.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Pursuant to Rule 8 of the Companies (Accounts) Rules, 2014, report on the performance and financial position of the subsidiary included in the consolidated financial statements is appended as **Annexure 1** to this Report.

SUBSIDIARY

VERSION 2 GAMES LTD

As per the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary in the prescribed format AOC-1 is appended to this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 129(3) of the Companies Act, 2013, consolidated financial statements of the Company and its subsidiary have been prepared in accordance with the requirements of Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and as per the provisions of the Companies Act, 2013, which form part of the Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements of the Company, including the consolidated financial statements and audited accounts of its subsidiary, are placed on the Company's website www.zentechnologies.com. A copy of separate audited financial statements of subsidiary will be provided to the shareholders at their request.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 is appended as **Annexure 2** to this report.

NUMBER OF MEETINGS OF THE BOARD

During the year 2014-2015, six Board Meetings were held.

The dates on which the Board meetings were held are 5 April 2014, 24 May 2014, 9 August 2014, 8 November 2014, 5 January 2015 and 9 February 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, the Directors confirm that:

- i. In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared the annual accounts on a going concern basis.
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

The independent directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149(6) and Clause 49 of the Listing Agreement.

COMPANY POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board of Directors, on recommendation of the Nomination and Remuneration Committee framed a Nomination and Remuneration policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act, 2013. The Policy is posted under the Investors section of the Company's website at: http://www.zentechologies.com/investor_relations/Nomination-Remuneration-Policy.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

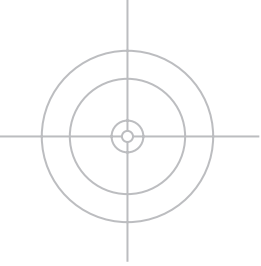
Particulars of loans, guarantees or investments as required under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 are provided in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure 3** to the Board's report.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The Board of Directors framed a policy for Related Party Transactions to ensure a process for approval and reporting of transactions between the Company and its Related Parties. The policy is posted under the Investors section of the Company's website at:

http://www.zentechologies.com/investor_relations/Related-Party-Transaction-Policy.pdf



MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company from the financial year ended 31 March 2015 to the date of signing of the Board's Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 with respect to Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo are provided in **Annexure 4** to this Report.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board formulated a Risk Management Policy identifying different kinds of risks and the mitigation measures adopted and to be adopted for dealing with the risks of the Company.

The Board constituted a Risk Management Committee constituting Mr Ashok Atluri, Chairman and Managing Director, Mr M Ravi Kumar, Whole-time Director and Mr P V Krishna Mohan, Chief Financial Officer. The Committee regularly meets to monitor and review the risk management policy.

The Audit Committee and Board reviews and evaluates the internal financial controls and risk management systems of the Company.

DEVELOPMENT AND IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Pursuant to Section 135 of the Companies Act, 2013, the Board constituted Corporate Social Responsibility Committee constituting Mr G Prasad, Independent Director, Mr Ashok Atluri, Chairman and Managing Director and Mr M Ravi Kumar, Whole-time Director. The Committee formulated and recommended to the Board the CSR Policy. On the recommendations of the CSR Committee, the Board approved and adopted the CSR Policy of the Company. The Corporate Social Responsibility Policy is posted under the Investors section of the Company's website at:

http://www.zentechologies.com/investor_relations/CSR-Policy.pdf

As per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, annual report on CSR is prepared and the same is enclosed as **Annexure 5** to this Report.

ANNUAL EVALUATION OF PERFORMANCE OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the directors individually in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement with specific focus on the performance and effective functioning of the Board and Individual Directors.

A separate meeting of Independent Directors was held on 9 February 2015 to review the performance of the Non-Independent Directors and the Board as a whole, review the performance of Chairperson of the Company and assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

CRITERIA FOR PERFORMANCE EVALUATION

- a. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
- b. Adherence to the Code of Conduct in letter and in spirit by the Independent Directors.

- c. Bringing objectivity and independence of view to the Board's discussions in relation to the Company's strategy, performance, and risk management
- d. Statutory Compliance and ensuring high standards of financial probity and Corporate Governance
- e. Responsibility towards requirements under the Companies Act, 2013, Responsibilities of the Board and Accountability under the Director's Responsibility Statement

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

During the year, Mr P V Krishna Mohan was appointed as the Chief Financial Officer of the Company.

Mr P V Krishna Mohan, Chief Financial Officer has resigned from the services of the Company with effect from the close of business hours on 30 June 2015.

Names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year: NIL

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

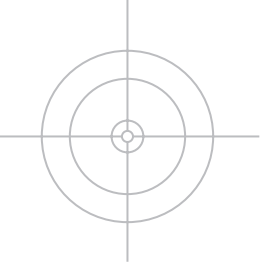
DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

In every quarter during the approval of Financial Statements, Internal Audit Report is presented by the Internal Auditor. The Audit Committee reviews the Internal Audit Report along with the Management Replies.

The internal financial controls are evaluated and reviewed by the Audit Committee and the Board for ensuring orderly and efficient conduct of its business, including adherence to Company's policies safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial statements.

VIGIL MECHANISM

The Board of Directors, on recommendation of the Audit Committee, established a vigil mechanism for Directors and Employees called "Whistle Blower Policy" pursuant to the provisions of Companies Act, 2013 and Listing Agreement to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and to provide adequate safeguards against victimization of persons who use such mechanism and to provide for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.



The Whistle Blower Policy is posted under the Investors section of the Company's website at:

http://www.zentechnologies.com/investor_relations/Whistle-Blower-Policy-2014.pdf

SEXUAL HARASSMENT POLICY

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31 March 2015, the Company has not received any Complaints pertaining to Sexual Harassment.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A Report on Management Discussion & Analysis forms part of the Annual report as per the requirements of Listing Agreement with the Stock Exchanges.

DIRECTORS

Cmde Sarvotham Rao retired as an Independent Director from the Board of Directors of the Company on 29 June 2015 in accordance with the retirement age policy for Directors of the Company. The Board places on record its sincere appreciation for Cmde Sarvotham Rao's long and fruitful association with the Company and thank him for providing valuable guidance to the Company during his tenure.

On the recommendation of Nomination and Remuneration Committee, Mr Venkat Samir Kumar Oruganti, was appointed as an Additional Director (Non-Executive Independent) of the Company in the Board Meeting held on 14 August 2015, pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and holds office up to the date of this AGM. In accordance with the provisions of Section 149 of the Act, Mr Venkat Samir Kumar Oruganti, is proposed to be appointed as an Independent Director to hold office as per the tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr Ashok Atluri, Chairman and Managing Director will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The aforesaid appointment/reappointment of Independent Director and Managing Director are subject to your approval.

The Company has received declarations from all the Independent Directors of the Company confirming that they continue to meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

AUDITORS

Statutory Auditors:

At the 21st Annual General Meeting held on 27 September 2014, M/s Gokhale & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 24th Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Gokhale & Co., Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Secretarial Audit:

Mr Mahadev Tirunagari, Practicing Company Secretary was appointed to conduct secretarial audit for the financial year 2014-15. Pursuant to Section 204 of the Companies Act, 2013 and Rules thereunder, the Secretarial Audit Report for the financial year ended 31 March 2015 in form MR-3, is annexed to this Annual Report as **Annexure 6**.

There are no qualifications in the Secretarial Audit Report.

Internal Auditors:

M/s Venkatadri & Co., Chartered Accountants have been appointed as Internal Auditors of the Company to conduct the Internal Audit on quarterly basis. The Audit Committee of the Board is apprised on the internal audit report and the action taken by the management. The Audit Committee also reviews the adequacy of internal control systems, reporting structure coverage and frequency of internal audit.

AUDIT COMMITTEE

For the year 2014-15, Audit Committee has been constituted as per the requirements of Section 177 of the Companies Act, 2013. The details of the composition of the Audit Committee as required under the provisions of Section 177(8) of the Companies Act, 2013, is given in the Corporate Governance Report furnished as part of the Annual Report. During the year under review, the Board has accepted all the recommendations of the Audit Committee.

CORPORATE GOVERNANCE

The Report on Corporate Governance along with a certificate from the Statutory Auditor of the Company with regard to the compliance of Corporate Governance as per Clause 49 of the Listing Agreement forms part of this Annual Report.

PARTICULARS OF EMPLOYEES

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure 7** to the Board's report.

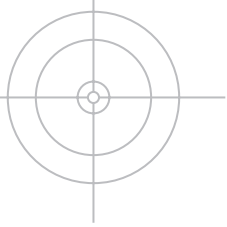
ACKNOWLEDGEMENTS

The Board of Directors thank the company's customers, suppliers, dealers, banks, financial institutions, Government and Regulatory authorities and consultants for their continued support. The Directors express their sincere gratitude to the shareholders and also wish to place on record their appreciation for the committed services rendered by all the employees of the Company.

For and on behalf of the Board

Place: Hyderabad
Date: 14 August 2015

Ashok Atluri
Chairman and Managing Director
DIN: 00056050



Annexure 1

REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY

(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

1	Name of the subsidiary	Version 2 Games Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 April 2014 to 31 March 2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
4	Share capital	5,00,000 Equity Shares of ₹ 1/- each ₹ 5,00,000/-
5	Reserves & surplus	-6,05,805
6	Total assets	11,804
7	Total Liabilities	1,17,608
8	Investments	-
9	Turnover	2,228
10	Profit before taxation	-11,151
11	Provision for taxation	-
12	Profit after taxation	-11,151
13	Proposed Dividend	NIL
14	% of shareholding	100

For and on behalf of the Board

Ashok Atluri
Chairman & Managing Director
(DIN: 00056050)

M Ravi Kumar
Whole Time Director
(DIN: 00089921)

M Amala
Company Secretary
(M.No. FCS 7611)

P V Krishna Mohan
Chief Financial Officer
(M.No. ACA 026455)

Place: Hyderabad
Date: 23 May 2015

Annexure 2

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L72200TG1993PLC015939
ii)	Registration Date:	29 June 1993
iii)	Name of the Company:	Zen Technologies Limited
iv)	Category / Sub-Category of the Company:	Company Limited by Shares
v)	Address of the Registered office and contact details:	B-42, Industrial Estate, Sanathnagar, Hyderabad - 500018, Telangana Ph: 040-23813281; Fax: 040-23813694 Email: investors@zentechnologies.com Website: www.zentechnologies.com
vi)	Whether listed company	Yes BSE Limited National Stock Exchange of India Limited
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Unit: Zen Technologies Limited Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Ph: 040-67161605 Fax: 040-23001153 Email id: einward.ris@karvy.com

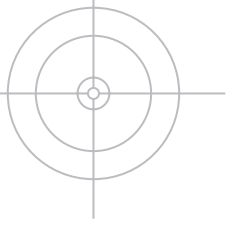
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Tank Simulators	8549	67.03%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Version 2 Games Limited B-42, Industrial Estate, Sanathnagar, Hyderabad - 500018, Telangana	U74999TG2010PLC068661	Subsidiary Company	100%	Section 2(87)



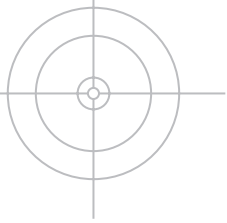
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
A. Promoters								
(1) Indian								
a) Individual/HUF	45,922,570	0	45,922,570	59.52	45,865,340	0	45,865,340	59.44
b) Central Government	0	0	0	0.00	0	0	0	0.00
c) State Government(s)	0	0	0	0.00	0	0	0	0.00
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00
Sub-total (A) (1):-	45,922,570	0	45,922,570	59.52	45,865,340	0	45,865,340	59.44
(2) Foreign								
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	45,922,570	0	45,922,570	59.52	45,865,340	0	45,865,340	59.44	-0.07
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	26,510	0	26,510	0.03	0	0	0	0.00	-0.03
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify) Qualified Foreign Investor	99,150	0	99,150	0.13	90,000	0	90,000	0.12	-0.01
Sub-total (B)(1):-	125,660	0	125,660	0.16	90,000	0	90,000	0.12	-0.05
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	4,468,870	0	4,468,870	5.79	5,003,314	0	5,003,314	6.48	0.69

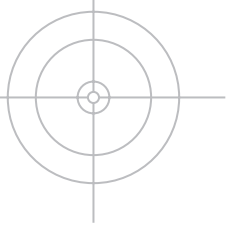




Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	14,741,080	574,820	15,315,900	19.85	12,149,693	532,320	12,682,013	16.44	-3.41
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10,285,740	0	10,285,740	13.33	12,846,627	0	12,846,627	16.65	3.32
c) Others (specify)									
Clearing Members	40,190	0	40,190	0.05	99,275	0	99,275	0.13	0.08
Non Resident Indians	1,001,130	0	1,001,130	1.30	573,491	0	573,491	0.74	-0.55
Sub-total (B)(2):-	30,537,010	574,820	31,111,830	40.32	30,672,400	532,320	31,204,720	40.44	0.12
Total Public Shareholding (B) = (B)(1) + (B)(2)	30,662,670	574,820	31,237,490	40.48	30,762,400	532,320	31,294,720	40.56	0.07
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	76,585,240	574,820	77,160,060	100.00	76,627,740	532,320	77,160,060	100.00	0.00

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr Ashok Atluri	25,402,900	32.92	23.47	25,402,900	32.92	23.47	0.00
2	Mr Kishore Dutt Atluri	12,329,600	15.98	0.00	12,329,600	15.98	0.00	0.00
3	Ms A Rama Devi	2,670,000	3.46	0.00	2,670,000	3.46	0.00	0.00
4	Mr Satish Atluri	1,224,000	1.59	0.00	1,184,000	1.53	0.00	-0.05
5	Mr Ravi Kumar Midathala	792,000	1.03	0.00	792,000	1.03	0.00	0.00
6	Ms Indira Garapati	120,000	0.16	0.00	120,000	0.16	0.00	0.00
7	Mr Nagarjunudu Kilaru	121,840	0.16	0.00	121,840	0.16	0.00	0.00
8	Ms Beena Atluri	395,000	0.51	0.00	395,000	0.51	0.00	0.00
9	Ms Tara Dutt Atluri	2,817,230	3.65	0.00	2,800,000	3.63	0.00	-0.02
10	Ms Nandita Sethi	50,000	0.06	0.00	50,000	0.06	0.00	0.00
	Total	45,922,570	59.52	23.47	45,865,340	59.44	23.47	-0.07



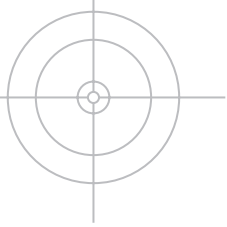
iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
	At the beginning of the year	45,922,570	59.52	-	-
1	Sold on 10-10-2014 (Ms Tara Dutt Atluri)	-17,230	(0.02)	45,905,340	59.49
2	Sold on 20-10-2014 (Mr Satish Atluri)	-40,000	(0.05)	45,865,340	59.44
	At the end of the year	45,865,340	59.44	45,865,340	59.44

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1	MOTURU CHANDRA SEK HAR				
	At the beginning of the year	3,162,430	4.10	-	-
	Transactions (purchase / sale) from 1 April 2014 up to 31 March 2015	-392,087	-0.51	2,770,343	3.59
	At the end of the year	2,770,343	3.59	2,770,343	3.59
2	RAVI KAMEPALLI				
	At the beginning of the year	2,505,430	3.25	-	-
	Transactions (purchase / sale) from 1 April 2014 up to 31 March 2015	150,000	0.19	2,655,430	3.44
	At the end of the year	2,655,430	3.44	2,655,430	3.44
3	ASHISH KACHOLIA				
	At the beginning of the year	0	0.00	-	-
	Transactions (purchase / sale) from 1 April 2014 up to 31 March 2015	1,549,456	2.01	1,549,456	2.01
	At the end of the year	1,549,456	2.01	1,549,456	2.01

(Other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
4	LOGICAL SOLUTIONS LTD				
	At the beginning of the year	1,334,640	1.73	-	-
	Transactions (purchase / sale) from 1 April 2014 up to 31 March 2015	0	0.00	1,334,640	1.73
	At the end of the year	1,334,640	1.73	1,334,640	1.73
5	RIKEEN PRADIP DALAL				
	At the beginning of the year	0	0.00	-	-
	Transactions (purchase / sale) from 1 April 2014 up to 31 March 2015	800,000	1.04	800,000	1.04
	At the end of the year	800,000	1.04	800,000	1.04
6	DINERO WEALTH ADVISORS PRIVATE LIMITED				
	At the beginning of the year	0	0.00	-	-
	Transactions (purchase / sale) from 1 April 2014 up to 31 March 2015	747,079	0.97	747,079	0.97
	At the end of the year	747,079	0.97	747,079	0.97
7	MUKUL AGRAWAL				
	At the beginning of the year	0	0.00	-	-
	Transactions (purchase / sale) from 1 April 2014 up to 31 March 2015	595,531	0.77	595,531	0.77
	At the end of the year	595,531	0.77	595,531	0.77
8	VIMAL SAGARMAL JAIN				
	At the beginning of the year	0	0.00	-	-
	Transactions (purchase / sale) from 1 April 2014 up to 31 March 2015	450,000	0.58	450,000	0.58
	At the end of the year	450,000	0.58	450,000	0.58
9	SURESH BHATIA				
	At the beginning of the year	0	0.00	-	-
	Transactions (purchase / sale) from 1 April 2014 up to 31 March 2015	389,970	0.51	389,970	0.51
	At the end of the year	389,970	0.51	389,970	0.51



(Other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
10	NISARG AJAYKUMAR VAKHARIA				
	At the beginning of the year	-	0.00	-	-
	Transactions (purchase / sale) from 1 April 2014 up to 31 March 2015	350,000	0.45	350,000	0.45
	At the end of the year	350,000	0.45	350,000	0.45

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
	At the beginning of the year				
	Directors				
1	Mr Ashok Atluri	25,402,900	32.92	25,402,900	32.92
2	Mr M Ravi Kumar	792,000	1.03	792,000	1.03
3	Cmde Sarvotham Rao	30,000	0.04	30,000	0.04
4	Mr G Prasad	-	0.00	-	0.00
5	Mrs M Sridevi	-	0.00	-	0.00
	Key Managerial Personnel				
1	Mr P V Krishna Mohan	-	0.00	-	0.00
2	Ms M Amala	-	0.00	-	0.00

Note - During the year, the Company has sub-divided each Equity Share of face value of ₹ 10/- (Rupees Ten only) as existing on the Record Date (24 November 2014) into 10 (Ten) Equity Shares of face value of ₹ 1/- (Rupee One only) each fully paid-up, with effect from the Record Date. Accordingly, share information reflects the effect of subdivision retrospectively for the earlier reporting periods.

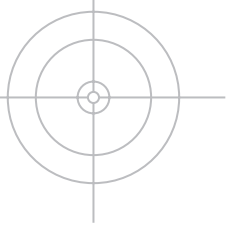
V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (In ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,77,56,452	-	-	16,77,56,452
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13,48,630	-	-	13,48,630
Total (i+ii+iii)	16,91,05,082	-	-	16,91,05,082
Change in Indebtedness during the financial year				
* Addition	21,98,16,533	-	-	21,98,16,533
* Reduction		-	-	
Net Change	21,98,16,533	-	-	21,98,16,533
Indebtedness at the end of the financial year				
i) Principal Amount	38,63,27,779	-	-	38,63,27,779
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	25,93,836	-	-	25,93,836
Total (i+ii+iii)	38,89,21,615	-	-	38,89,21,615

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (In ₹)				
Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ashok Atluri	M Ravi Kumar	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,060,000	3,360,000	7,420,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	78,921	11,110	90,031
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as 2.49 % of net profits (net profits calculated as per Section 198 of the Companies Act, 2013)	4,119,033	-	4,119,033
	- Others, specify...	-	-	-
5	Others, please specify			
	Total (A)	8,257,954	3,371,110	11,629,064
	Ceiling as per the Act	8,257,954	3,900,000	12,157,954



B. Remuneration to other directors					(In ₹)
Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Cmde Sarvotham Rao	G Prasad	M Sridevi	
1	Independent Directors				
	Fee for attending board committee meetings	180,000	200,000	100,000	480,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	180,000	200,000	100,000	480,000
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
Total (B)=(1+2)					480,000
Total Managerial Remuneration					480,000
Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD					(In ₹)
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	Chief Financial Officer	Total	
		Ms M Amala	Mr P V Krishna Mo-han*		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	996,997	716,129	1,713,126	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission				
	- as % of profit	-	-	-	
	others, specify...	-	-	-	
5	Others, please specify	-	-	-	
	Total	996,997	716,129	1,713,126	

* Remuneration paid is for a period of 7 months only

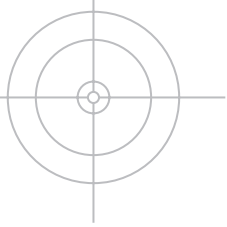
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
		Description			
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NI		
Punishment					
Compounding					

For and on behalf of the Board

Place: Hyderabad
Date: 14 August 2015

Ashok Atluri
Chairman and Managing Director
DIN: 00056050



Annexure 3

DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. There are no contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.
2. Contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis:

S. No	(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
1	Mr Kishore Dutt Atluri - Brother of Mr Ashok Atluri, Chairman and Managing Director of the Company	Appointment to office or place of profit in the Company	Enhanced from 8 November 2014 till further enhancement	Enhancement in remuneration from ₹ 1,90,000/- p.m. to ₹ 2,49,200/- p.m.	08-11-2014	NIL
		Leasing of property of any kind	1 June 2015 to 31 May 2017 (Renewal with mutual consent of the parties)	Taking on lease 3 bedroom fully furnished flat jointly owned by Mr Kishore Dutt Atluri, President of the Company and his wife Mrs A Rama Devi for use as Guest House for Company executives and business clients for ₹ 5,28,000/- per annum	23-05-2015	Security deposit – lease rent of two months

For and on behalf of the Board

Place: Hyderabad
Date: 14 August 2015

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Annexure 4

STATEMENT OF PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014

A. Conservation of Energy

- (i) The steps taken or impact on conservation of energy:

The Company does not use energy-intensive equipment for its operations. Besides, due to significant awareness campaigns within the Company, the employees are averse to wasting power. Consequently power consumption is one of the lowest per employee. The computers, air-conditioners and other equipment being used by the Company are energy-efficient and environment-friendly.

- (ii) The steps taken by the company for utilizing alternate sources of energy:

- a. The Company is energy conscious. All types of driving simulators manufactured by the Company work with high-rated, power-saving servo motors.
- b. The employees are disciplined on saving energy. Systems are switched on only when it is to be used and switched off as soon as the scheduled work is completed.
- c. The Company has made a policy decision of buying systems that are rated high in power saving. Employees work on LED monitors. Their energy consumption is less. They also release less heat compared to CRT and LCD monitors enabling the centralized air-conditioner maintain the temperature with ease. The air-conditioner too has a regulator to save power.
- d. Plans are afoot to buy eco-friendly vehicles for intra-office movement at the Hardware Park Plant and between the research wing and production wings.
- e. Also there is a move to harness solar energy for lighting and wire fencing. The roof of the plant is about 70 feet from ground and there are enough provisions for the day light to seep into the plant to enable technical hands to work without switching on electrical lights especially in day time.
- f. Air conditioners are fitted with controllers to cut off power at the set temperature. The present MH lamps and mercury lamps are replaced with LED lamps which consume only 40% of CFL and its minimum life is 50,000 burning hours.
- g. The street lights at the Hardware Park are replaced with LED bulbs.

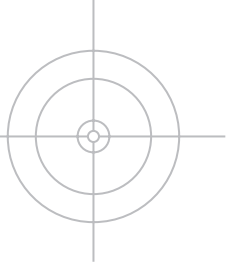
- (iii) The capital investment on energy conservation equipments: The capital investment was made on controllers used for air conditioners, LED bulbs and green generators.

B. Technology absorption

- (i) The efforts made towards technology absorption:

The Company has indigenously developed significant technologies that are useful in various products. The technologies nurtured within the Company have been incorporated into various products.

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:



We expect such technologies will give us an unbeatable edge in evolving our products into advanced, reliable, and robust simulators.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The Company has not imported any technology during the past 3 years.

(a) The details of technology imported: NIL

(b) The year of import: NIL

(c) Whether the technology been fully absorbed: NIL

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NIL

- (iv) The expenditure incurred on Research and Development:

The Company has incurred ₹ 13.07 Crores as R&D expenditure for the financial year 2014-15 for the development of various products. Out of ₹ 13.07 Crores, ₹ 12.92 Crores was for R&D Revenue expenditure and ₹ 0.15 Crores for R&D Capital Expenditure. The Company has incurred 16.64% as R&D expenditure of Sales Turnover. The Company will continue to make big bets for long-term national interests which may impact short-term profitability of the Company.

C. Foreign Exchange Earnings and Outgo

(₹ in Lakhs)

Particulars	2014-15	2013-14
Earned during the year	36.54	109.31
Used during the year	178.07	669.94

For and on behalf of the Board

Place: Hyderabad
Date: 14 August 2015

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

Annexure 5

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY AS PER RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

1. **A brief outline of the Company's CSR policy**, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

On the recommendations of the Corporate Social Responsibility Committee, the Board approved and adopted the Corporate Social Responsibility Policy of the Company. The Company proposes to adopt projects or programmes under one or more of the activities as prescribed under Schedule VII of the Companies Act, 2013, as amended from time to time and as stated in the Corporate Social Responsibility Policy.

The Corporate Social Responsibility Policy is posted under the Investors section of the Company's website at: http://www.zentechnologies.com/investor_relations/CSR-Policy.pdf

2. **Composition of the CSR Committee**

Mr G Prasad, Chairman (Independent Director)
Mr Ashok Aturi, Member (Chairman and Managing Director)
Mr M Ravi Kumar, Member (Whole-Time Director)

3. **Average net profit of the Company for the last three financial years**

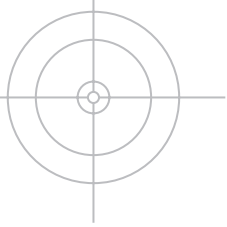
Financial Year	Profit before tax (₹)
2011-12	39,42,03,978
2012-13	5,54,65,825
2013-14	11,23,825
Total	45,07,93,628
Average of the PBT	15,02,64,543

4. **Prescribed CSR expenditure (2% of Average Net Profits):** ₹ 30,05,500/-

5. **Details of CSR spent during the financial year 2014-15:**

(in ₹)

(a) Total amount to be spent for the financial year: ₹ 30,05,500/-							
(b) Amount unspent, if any: ₹ 24,93,900/-							
(c) Manner in which the amount spent during the financial year is detailed below:							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Teaching class for Hearing Impaired Tiny Tots (Ages 3-12)	Promoting education	Jasola, New Delhi	100,000	Direct expenditure on projects or programs	1,00,000	Spent through implementing agency - Lepra India Trust, Jasola, New Delhi



S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
2	Driving Simulator System given to the Training institute supported by Art of Living (Sri Sri Rural Development Programme Trust)	Promoting education	Bangalore	411,600	Direct expenditure on projects or programs	511,600	Spent through implementing agency - Art of Living (Sri Sri Rural Development Programme Trust)

6. Reasons for not spending two percent of the average net profit of the last three financial years on CSR:

To ensure that the contributions made by the Company are for deserving causes and are properly utilized, the CSR Committee was in the process of identifying and evaluating proposals for CSR spending. The CSR Committee is optimistic that it will be in a position to make positive suggestions for greater CSR spend in the coming years.

Due to the above, the Company could not spend a minimum of 2% of its average net profits for CSR, during the year.

7. The CSR Committee Confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

For and on behalf of Corporate Social Responsibility Committee

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

G Prasad
Chairman of the Committee
DIN: 00026718

Place: Hyderabad
Date: 14 August 2015

Annexure 6

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

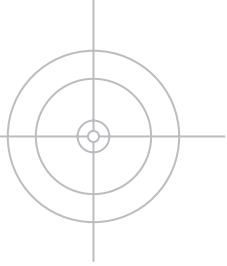
To
The Members
Zen Technologies Limited
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Zen Technologies Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Zen Technologies Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Zen Technologies Limited for the financial year ended on 31 March 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



- vi. Various Circulars of SEBI, NSDL, CDSL, and Stock Exchanges.
- vii. Various policies of State Government, like IT policy, STPI etc,
- viii. The Copyright Act, 1957
- ix. The Patents Act, 1970
- x. The Trade Marks Act, 1999
- xi. The Designs Act, 2000
- xii. The Income Tax Act, 1961
- xiii. Telangana Value Added Tax Act, 2005
- xiv. Excise and Taxation Department, Govt. of Himachal Pradesh.
- xv. The Central Excise Act, 1944
- xvi. The Central Excise Act (Nalagarh, HP)
- xvii. The Customs Act, 1962
- xviii. The Factories Act, 1948
- xix. Payment of Bonus Act, 1965
- xx. Payment of Gratuity Act, 1972
- xxi. Minimum Wages Act, 1948
- xxii. Workmen's Compensation Act, 1923
- xxiii. Industries (Development and Regulation) Act, 1951
- xxiv. The Employees' State Insurance Act, 1948
- xxv. Trade License from GHMC
- xxvi. Employees' Provident Funds and Miscellaneous Provisions (Amendment) Act, 1988
- xxvii. Directives given by various Directorates like DSIR, and NSIC etc.
- xxviii. Central Sales Tax Act, 1956
- xxix. Environmental (Protection) Act, 1986
- xxx. Vendor Registration Certificate
- xxxi. The Information Technology Act. 2008
- xxxii. E-waste (Management and Handling) Rules, 2011
- xxxiii. The Shops & Establishments Act, 1988
- xxxiv. Water, Land and Trees Act, 2002
- xxxv. The Air (Prevention and control of pollution) Rules, 1982
- xxxvi. The Water (Prevention and control of pollution) Rules, 1975
- xxxvii. Corporate Social Responsibility (CSR)
- xxxviii. Public Liability Insurance Act, 1991
- xxxix. Equal Remuneration Act, 1976

- xi. Batteries (Management and Handling) Rules, 2011
- xli. Electricity Act, 2003
- xlii. Whistle Blower Policy
- xliii. Sexual Harassment Policy
- xliv. Official Secrets Act 1923
- xlvi. Security manual, Category B, Ministry of Defence

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

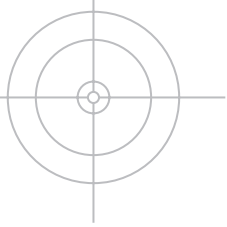
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-
Mahadev Tirunagari
Company Secretary in Practice
FCS: 6681
CP No.: 7350

Place: Hyderabad
Date: 7 August 2015



Annexure 7

DETAILS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year:

S. No	Name of the Director, Designation	Ratio of remuneration to the median remuneration of the employees
1	Mr Ashok Atluri, Chairman and Managing Director	27.48*
2	Mr M Ravi Kumar, Whole-time Director	11.22
3	Cmde Sarvotham Rao, Independent Director	Nil
4	Mr G Prasad, Independent Director	Nil
5	Mrs M Sridevi, Independent Director	Nil

Note: * Commission is included in the remuneration paid to the Chairman and Managing Director. Commission is paid for the financial year for which the Company has profits.
- Independent Directors were paid sitting fees for attending the Meetings.

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S. No	Name of the Director / KMP, Designation	Percentage increase in remuneration
1	Mr Ashok Atluri, Chairman and Managing Director	141.19%*
2	Mr M Ravi Kumar, Whole-time Director	Nil**
3	Cmde Sarvotham Rao, Independent Director	Nil
4	Mr G Prasad, Independent Director	Nil
5	Mrs M Sridevi, Independent Director	Nil
6	Mr P V Krishna Mohan, Chief Financial Officer	NA***
7	Ms M Amala, Company Secretary	15%

* There is increase in the remuneration paid to Mr Ashok Atluri, Chairman and Managing Director during the financial year ended 31 March 2015 due to his reappointment on the terms and conditions approved in the shareholders' meeting held on 27 September 2014 with effect from 1 November 2014. Commission is included in calculation of the remuneration of the Chairman and Managing Director, as the same is paid for the financial year for which the Company has profits.

** There was no increase in the remuneration paid to Mr M Ravi Kumar, Whole Time Director during the financial year ended 31 March 2015. His remuneration was revised in the shareholders' meeting held on 28 September 2013

*** Mr PV Krishna Mohan, Chief Financial Officer was appointed during the financial year ended 31 March 2015

- (iii) The percentage increase in the median remuneration of employees in the financial year:

9.07% increase

(iv) **The number of permanent employees on the rolls of company:**

There are 243 permanent employees on the rolls of the Company.

(v) **The explanation on the relationship between average increase in remuneration and company performance:**

S. No	Average increase in remuneration	Company performance
1	15.96%	Net Profit of the Company increased by 16763.90% Net Sales of the Company increased by 69.46%

(vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

S. No	Remuneration of the Key Managerial Personnel	Performance of the Company for the year 2014-15
1	₹ 133.42 lakhs	Net Profit of the Company ₹ 15.74 Crores Net Sales of the Company ₹ 78.55 Crores

(vii) **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer:**

S. No	Particulars	As at 31 March 2015		As at 31 March 2014	
1	Market Capitalization	BSE	₹ 4,35,56,85,387	BSE	₹ 69,55,97,941
		NSE*	₹ 4,31,71,05,357	NSE	NA
2	Price Earnings Ratio	BSE	27.67	BSE	751.25
		NSE*	27.43	NSE	NA

* The Equity Shares of the Company got listed on the National Stock Exchange (NSE) w.e.f 30 March 2015.

Market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer:

The Company came with an Initial Public Offer in the year 2000 at a price of ₹ 10/- per equity share for cash at par.

After giving effect to the subdivision of face value of shares from ₹ 10/- to ₹ 1/-:

As on 31 March 2015, the market quotation of the Company Share Price (Close Price) is given below:

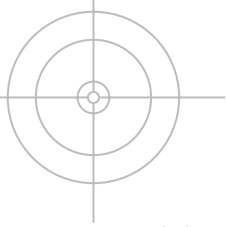
BSE Limited: ₹ 56.45 per share of face value of ₹ 1/- each

The National Stock Exchange of India Limited: ₹ 55.95 per share of face value of ₹ 1/- each

(viii) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 12.10%**

Percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 78.43%

Justification: Increase in remuneration of the Chairman and Managing Director is decided based on the individual performance, inflation, prevailing industry trends and benchmarks. The increase in remuneration is under the prescribed limits laid down in the Companies Act, 2013. Remuneration is revised at the time of his reappointment after a period of 5 years.



(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

(₹ in lakhs per annum)

S. No	Name of the Key Managerial Personnel	Remuneration of the Key Managerial Personnel	Performance of the Company for the year 2014-15
1	Mr Ashok Atluri, Chairman and Managing Director	82.57*	Net Profit of the Company ₹ 15.74 Crores Net Sales of the Company ₹ 78.55 Crores
2	Mr M Ravi Kumar, Whole-time Director	33.71	
3	Mr P V Krishna Mohan, Chief Financial Officer	7.16**	
4	Ms M Amala, Company Secretary	9.97	

* Includes Commission on the net profits of the Company for the financial year 2014-15, calculated as per the provisions of Section 198 of the Companies Act, 2013

** Employed with effect from September 2014

(x) The key parameters for any variable component of remuneration availed by the directors:

The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: **Not Applicable**

(xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

(xiii) A statement showing the name of every employee of the company, who

- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees - Not Applicable
- if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month: Not Applicable
- if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: Not Applicable

For and on behalf of the Board

Place: Hyderabad
Date: 14 August 2015

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

Simulator is defined as a system-specific device that helps personnel train in system use and maintenance. Simulators are used in various fields and their use is not restricted to training security forces alone. A few areas where simulators are being used extensively include weapons training, aviation, medicine, power plant, bridges, ships entertainment and maintenance. This list is not exhaustive and as technology becomes more affordable, more and better applications will be available.

The Simulation Industry in India is showing signs of maturity with new players entering this field. There are very few established players in this field in India who pose threat to the Company now. But we expect the scenario to change and anticipate competition in the years to come as opportunities continue to grow. In Defence simulation, we have had competition from domestic as well as international players.

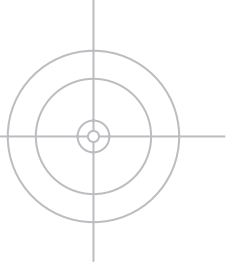
Indian defence has become one of the most attractive markets for foreign companies. Since the scope of business is huge, we expect new players to come in full force. However, only experienced players are expected to benefit more, because the barriers to the new players are many. Difficult barriers include understanding the complex and stringent procurement process, long procurement cycle, No-Cost-No-Commitment basis of trials and customization of the product to suit Indian needs.

Companies that have suitable products may find the lack of understanding of the process to be a serious barrier. Small and medium companies, especially foreign ones, will find it extremely difficult to undergo at least three years of procurement process to know the outcome. The cost to compete in the process is significantly high. With many bidders in the race, the uncertainty of winning the bid looms large to the potential bidders and, sometimes, the risk/reward ratio seems unattractive. Another complication for the foreign vendor is the Indian Defence's offset requirement for global purchases of over ₹ 300 Crores. Offset is the foreign vendor's obligation to source locally (buyer's country) some items, amounting to certain percentage of the contract value, that go into the building of the purchased product. In India the default offset requirement is about 30%, which can be changed by the government. Offset presents a good opportunity which your Company intends to fully explore. We continue to be in discussions with a few companies of international repute to address this opportunity. These tie-ups are, usually, pre-bid and the offset proposal is submitted before the product evaluation starts. Even after the tie-up it would take, usually, at least 3 years to know the outcome of the bid. So the offset business is fraught with many uncertainties.

Opportunities and threats

A new opportunity with no serious Indian controlled Company in contention is the Aviation Sector. We expect Aviation Sector to be the next area of focus for your Company. This represents a very huge opportunity and we are exploring the possibility for a tie-up with some big player in this segment. This would enable us to bring the latest technology to Indian Air Force (IAF) while indigenizing and customizing the technology to the specific needs of IAF.

We are also looking at opportunities to collaborate with companies that are looking for competent and experienced partner to help them do business with the Indian Defence. Zen, being a prime contractor to the Indian Army, is well positioned to consider joint ventures with Foreign Defence companies. Since Zen is a system engineering company with skill sets in the field of electronics, mechanical engineering, and software, we see a big opportunity in adding value to companies that bid for Indian defence contracts. Companies that have little or no experience with security forces in India but have a potentially saleable product represent a good fit for partnership with us. Our experience with the procurement process has helped us put systems in place that drastically reduce the cost of production, customizing the product for Indian defence, ensuring all technical compliances which increase the chance of winning the bid. Given the size of the Indian defence budget, we expect the size of such opportunities to be commensurately huge. However, realizing revenues from this activity will take time given the long procurement cycle.



Your company has been exclusively focused on training and simulation. The emphasis laid on training by the security forces has proved beneficial to your company. Your company continues to design and develop simulators with heavy focus on security forces in India. The opportunity size is, fortunately, growing and we expect to benefit from it.

Another focus area that we will be working on is exports during the year. During the year we have shifted our focus from products to solutions in the form of Combat Training Centres. We have started participating in major exhibitions and we expect business to be generated from these efforts in the next couple of years. Various options are being evaluated including investment in overseas companies to strengthen and help us in exports and complement in purchase of products.

We feel that competition, both domestic and foreign, for the simulators will be a significant factor in the years to come. As such we need a continuous action plan to improve older simulators where possible and evolve a new pricing strategy to match the marketing realities.

Strengths and Weaknesses

Your company's competitive advantages include:

Familiarity with the Procurement Process

Zen has been in the field of security forces marketing for the past 22 years and has accumulated significant knowledge of the procurement process of its customers. Zen is in active discussions with some companies for some upcoming tenders from the Armed forces and expect some progress during the next financial year. Zen is exercising abundant caution in choosing its partner - with an objective of ensuring the Indian forces get one of the best products available in the market with value addition from Zen in customization of the product to meet the end-user needs.

Dedicated Team

Zenists, who are involved in the development and marketing of simulators are your Company's biggest strength. We feel that their tireless efforts have contributed significantly to our success.

Short Development Project Cycle

Your Company has project methodologies for software, mechanical components, sub-systems, electrical components, circuit designs, and libraries in place which help develop products in a short span of time. Extensive project monitoring system ensures that all the projects are on track and are completed on time.

Cross-disciplinary skills

To develop simulators, we had to acquire a range of skills including software, electronics, mechanical, and optics. For most of the products we developed, we needed these skills in different ratios for the materialization of the products.

Customer Acceptance

With a track record of having the widest penetration into the Indian security forces for simulators and having received positive reviews from our customers we are today one of the most preferred brand names in the field of training simulators.

Reliable Quality

Zen's products rank as one of the best in their range. When we factor in the price at which your company has priced them, they become an unbeatable and compelling choice for customers. Significant progress has been made to improve quality of the simulators due to the lean process being implemented within the company. This has helped us to build very robust products and at the same time, given us the wherewithal to scale our operations.

After-Sales Support

Our customers put our after-sales support as very trust worthy and have applauded our commitment to keeping the simulators up and running. The Armed Forces started entering into Annual Maintenance Contracts (AMCs) along with purchase of equipment. AMCs typically become operational after 2 years from the date of installation. The life cycle of the product is about 15 years so the AMCs are expected to last for 13 years, after the expiry of typically warranty of 2 years. However, with the AMCs we also get lot of responsibilities in terms of keeping difficult to get spares for the life cycle of the product, maintenance team etc.

Discussion on Financial Performance

Total Income during the year was ₹ 81.86 Crores (previous year ₹ 49.89 Crores), EBITDA ₹ 24.19 Crores (previous year ₹ 4.16 Crores) and PAT was ₹ 15.74 Crores (previous year ₹ 0.09 Crores). Sales and Services of weapon simulators contributed ₹ 70.00 Crores (previous year ₹ 44.12 Crores) and non-weapon simulators ₹ 1.53 Crores (previous year ₹ 2.24 Crores) and Sales of services contributed ₹ 7.02 Crores.

The Earnings Per Share of the Company as on 31 March 2015 is ₹ 2.04 per equity share of face value of ₹ 1.00 each (previous year ₹ 0.01).

With a view to broad base the investor base by encouraging the participation of the small investors and also to increase the liquidity of equity shares of the Company, during the financial year the Company has sub-divided each Equity Share of face value of ₹ 10/- (Rupees Ten only) as existing on the Record Date (24 November 2014) into 10 (Ten) Equity Shares of face value of ₹ 1/- (Rupee One only) each fully paid-up, with effect from the Record Date.

Product-wise performance

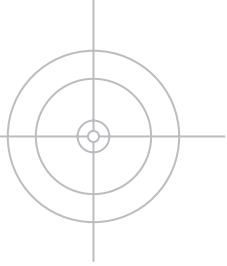
The main customers for simulators are Police and Para-military Forces, Armed Forces, Government Departments (like Transport) and, in a very limited manner, the Civilian Market. The products of the company can be divided into 3 major categories viz. Land-based Military Simulators, Driving Simulators, and Mining and Special Equipment Simulators. Some of the land based simulators are Hand Grenade Simulator (Zen HE36S), Advanced Weapons Simulator (Zen AWeSim), Tactical Engagement Simulator (Zen TacSim), 81mm Mortar Simulator, Driving Training Simulator (Zen DTS), Zen Bus Simulator, BMP II Driving Simulator (ZEN BMP-II DS) and Anti-Tank Guided Missile Simulator (Zen ATGM Sim). Driving simulators include Zen DTS and Zen Bus Simulator which are aimed at the civilian market. Special Equipment simulators include Dumper and Dozer simulators are for mining applications. New products that we have started demonstrating include (1) UAV Simulators for High Altitude Long Endurance (HALE) and Medium Altitude Long Endurance (MALE) UAVs; and (2) Armoured Combat Training Simulator (ACTS). Both the simulators have very huge addressable market, in and outside India, worth about ₹ 3,000 Crores.

During the year, the Company focused on various opportunities including offsets, exports, aviation simulators and building new hi-tech technology products by licensing critical technologies from SMEs in India. The total opportunity size for existing simulators is estimated to be more than USD 1 Billion (₹ 6,000 crores).

Prime Minister Shri Narendra Modi's Campaign - "Make in India" by the new Government, is an inflection point for domestic players and an extraordinary growth is expected for Indian defence players. Our Company having in-house technology developed would benefit the most from the step that the Government has taken.

During the year under review, Rockwell Collins, an American based Company, with facilities in Hyderabad and near New Delhi and Zen Technologies Limited signed a Memorandum of Understanding (MoU) to combine their strengths in simulation and training to offer industry-leading, high fidelity solutions to Indian military customers. This alliance marks the first time that a global simulator original equipment manufacturer has partnered with an Indian simulator manufacturing company to cater to the Indian Defence market.

Further to MoU, Zen Technologies Limited and Rockwell Collins joined their forces in military flight simulation by unveiling a next generation rotary wing simulator at Aero India 2015. The strategic alliance between Zen Technologies



Limited and Rockwell Collins will produce top shelf solutions while also ensuring cost benefits for customers across the region since the alliance's capabilities are indigenized, including in software, electronics and visuals. With the rotary wing platform launch, both companies aim to emerge, in the near future, as key partners to the Indian armed forces.

Research and Development Efforts

Your Company continues its R & D efforts in two directions

1. Existing Products: To maintain a competitive edge, the Company has been updating existing products. The changes being made are both incremental and innovative.
2. New Products: To expand our customer base, we are developing new products. We have developed dumper and dozer mining equipment which we are marketing aggressively to the potential customers.

Profit Margins and Cost Control Exercise

Cost-controlling is a way of life at Zen. Zenists abhor wastage of any kind and a keen sense of responsibility has been internalized. Incentives are now being aligned to cost savings, where possible. Profit margins are under pressure as the raw material and human resources cost continue to climb up, but our leverage to raise prices with our customer remains very limited, especially for repeat business. With the competition increasing we also expect the profit margins to suffer. However, we have been carefully identifying and investing in R&D where the potential demand is very high (in value) and where very few players have the wherewithal to develop such products.

Personnel Relationships

Your Company had outstanding personnel relationships last year. Zenists have internalized Zen's Final Expectation: **Please don't just do what you are told, do what needs to be done.** This understanding has resulted in some team members going beyond the call of duty and making breakthrough contributions.

Outlook

The global market for simulators presents an enormous opportunity for your Company. This multi-billion dollar market is growing exponentially and simulators are used in the field of weapons training, aviation, medicine, power plant, bridges, ships, entertainment and maintenance.

We expect to benefit from the decisive actions of the Ministry of Defence (MoD) with respect to procurements. Operational preparedness has become important, both with the defence and police forces. For operational preparedness adequate training with different scenarios is a must, which can be effectively imparted using simulators. We expect such focus should result in procurement of more simulators.

From offering training and simulator equipment, Zen's focus has shifted to providing full-fledged solutions like Combat Training Centres to its clients both in India and abroad. These are customized to each clients' needs and involves integrating training simulators, equipment, software, terrains and training methodologies as a package.

We also expect the volatility in the earnings to continue in the foreseeable future. Also, given the fact that we depend on Government for business, we expect quarterly results to be quite lumpy and corresponding quarter-on-quarter results to be uneven.

Exports promotion is a priority target for Zen and ongoing efforts to promote the simulators through exhibitions and direct sales contacts are on. We expect that the results will be known in the coming couple of years.

Risks and Concerns

We are seeing more players entering the field of simulation and expect competition to be stiff and margins to drop for products that have huge market demand as this represents the segment that can be commercialized.

Your company is committed to developing cutting-edge simulators for the security forces. These simulators have been typically developed with feedback from the end-users but with no commitment from them to buy the resulting system. Such a line of action, where you develop critical simulation technologies for security forces entails definite expenditure and no promise of matching income. The government's policy of buying the system from the lowest bidder may harm us if any foreign supplier, with the development costs already amortized, competes with us and dumps the simulators at a cost far below what they have charged overseas. The Government does not have any explicit policy or procedure to encourage indigenous technology in such a situation but the recent changes in defence procurement procedures seem to be moving in the right direction.

As part of our business, we give performance guarantee to our clients. In the unlikely event that such a claim for guarantee is invoked, adequate provision for the same will be required.

The other risks that your Company faces are dependence on Government for huge chunk of business, high R&D costs with no certainty that the product will be accepted by the customer, stricter user acceptance and marketing costs, long receivables and unpredictability of earnings with, normally, a fourth quarter bias for sales.

Internal Control Systems and their Adequacy

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded, and protected against loss from unauthorized use or disposition. The internal control system is supplemented by an extensive program of internal audits and review by management.

Human Resource Development and Industrial Relations

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip themselves with skill, enabling them to adapt to contemporary technological advancements.

During the year under review, relations with customers, partners, suppliers, workers, employees, and other industries were cordial.

Zen's team strength stands at 243 members (previous year 246). The management and employees in the company regularly meet to address the areas of concern.

Subsidiary Company

VERSION 2 GAMES LTD

During the year under review, the Company has not done any business.

Disclaimer

Statements in the Annual Report describing the company's objectives and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in government perception/regulations, changes in relationships with suppliers, partners and customers, tax laws and other statutes, and other unforeseen or incidental factors.



CORPORATE GOVERNANCE REPORT

1) Company's Philosophy on Code of Governance

Zen is committed to good corporate governance. Your Company aims to achieve the objective of enhancing the shareholders' value by ensuring effective relationship with stakeholders and protecting their interests. The Company believes that the Company's business strategy and plans should be consistent with the welfare of all its stakeholders which will bring sustained corporate growth and long term benefit to all.

The Company has been practicing the principles of good corporate governance with a great zeal of commitment and sincerity. The Company's principle of corporate governance comes from the belief that the high standards of ethics, timely disclosures, accountability and transparency go a long way in preserving shareholders' trust and creating wealth.

2) Board of Directors

a. Composition and Category of Directors

The Board of Directors of the Company consists of five (5) Directors. To ensure transparent and professional conduct of board procedures in all aspects and related thereto, more than fifty percent i.e., 3 out of 5 Directors are Independent Directors. The Chairman of the Board is an Executive Director. The composition of the Directors is in accordance with Clause 49 of the Listing Agreement entered with the Stock Exchange.

The constitution of the Board during 2014-15 is as follows:

S. No	Name of the Director	Designation	Date of Appointment	Category
1	Mr Ashok Atluri	Chairman and Managing Director	14-06-1994	Promoter & Executive Director
2	Mr M Ravi Kumar	Whole Time Director	29-06-1993	Promoter & Executive Director
3	Cmde Sarvotham Rao*	Director	30-03-2005	Independent Non-Executive Director
4	Mr G Prasad	Director	09-11-2012	Independent Non-Executive Director
5	Mrs M Sridevi	Director	05-02-2014	Independent Non-Executive Director
6	Mr Venkat Samir Kumar Oruganti **	Additional Director	14-08-2015	Independent Non-Executive Director

* Retired as Director (Independent) with effect from 29 June 2015

** Appointed as an Additional Director (Independent) with effect from 14 August 2015

b. Attendance of each Director at the Board Meetings and the last AGM

The table hereunder gives the attendance record of the Directors at the six (6) Board Meetings held during the year 2014-15 and the last Annual General Meeting (AGM) held on 27 September 2014:

Name of the Director	Number of Board meetings attended	Attendance at the last AGM
Mr Ashok Atluri	6	Present
Mr M Ravi Kumar	5	Present
Cmde Sarvotham Rao	5	Present
Mr G Prasad	6	Present
Mrs Sridevi	5	Present

c. Meeting of Independent Directors

A separate meeting of Independent Directors was held on 9 February 2015 to review the performance of the Non-Independent Directors and the Board as a whole, review the performance of Chairperson of the Company and assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

d. Familiarization Programme for Independent Directors

The details of programs for familiarization of the Independent Directors with the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company at the Web link: http://www.zentechnologies.com/investor_relations/Familiarisation-program.pdf

e. Number of other Boards or Board Committees in which he/she is a member or Chairperson

Sl. No	Name of the Director	Number of other Directorships	Board Committees	
			Membership	Chairmanship
1	Mr Ashok Atluri	6	Nil	Nil
2	Mr M Ravi Kumar	1	Nil	Nil
3	Cmde Sarvotham Rao*	Nil	Nil	Nil
4	Mr G Prasad	2	Nil	3
5	Mrs M Sridevi	Nil	Nil	Nil
6	Mr Venkat Samir Kumar Oruganti	2	Nil	Nil

None of the Directors on the Board is a member on more than 10 committees or Chairman of more than 5 committees as specified in Clause 49, across all the Companies in which he/she is a Director. Necessary disclosures regarding Committee positions have been made by the Directors.

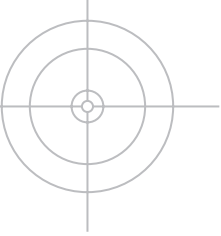
f. Number of Board meetings held, dates on which held

During the Financial Year 2014-15, the Board of Directors met 6 times on the following dates:

5 April 2014	24 May 2014	9 August 2014	8 November 2014	5 January 2015	9 February 2015
--------------	-------------	---------------	-----------------	----------------	-----------------

g. Code of Conduct

The Board has laid down two separate Codes of Conduct, one for all the Board Members and the other for Senior Management of the Company. These Codes have been posted on the Company's website at http://www.zentechnologies.com/about_us/zen-code-of-conduct.php. All the Board Members and



Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Chairman and Managing Director to this effect is enclosed at the end of this Report. The Code of Conduct for the Board Members of the Company has been amended in line with the provisions of the Companies Act, 2013, which includes Code for Independent Directors, which is a guide to professional conduct for Independent Directors of the Company pursuant to section 149(8) and Schedule IV of the Companies Act, 2013.

h. CEO/CFO Certification

As required under Clause 49 (IX) of the Listing Agreement, the Chairman and Managing Director and CFO of the Company have certified to the Board regarding the Financial Statements for the year ended 31 March 2015. The Chairman and Managing Director and CFO also give quarterly certification on Financial Statements while placing the Financial Statements before the Board in terms of Clause 41. The Annual Certificate given by the Chairman and Managing Director and CFO forms part of the Annual Report.

i. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

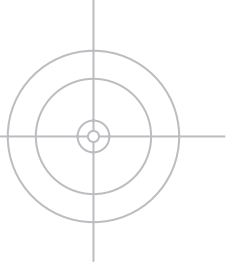
3) Audit Committee

i. Brief description of terms of reference

The terms of reference of the Audit Committee are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management

- d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 21. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.



ii. Composition, Name of Members and Chairperson

The Audit Committee of the Board is constituted with three (3) Directors comprising of two (2) Independent Directors forming a majority. The Chairman is a fellow member of the Institute of Chartered Accountants of India and all of the members of the Committee are financially literate and have adequate accounting knowledge. Accordingly, the Composition of the Audit Committee is in conformity with Clause 49 of the listing agreement entered with the Stock Exchanges.

The Composition of the Audit Committee is given below:

Sl. No	Name of the Director	Designation
1	Mr G Prasad	Chairperson
2	Cmde Sarvotham Rao*	Member
3	Mr Ashok Atluri	Member
4	Mr Venkat Samir Kumar Oruganti**	Member

* Retired as Director (Non Executive Independent) with effect from 29 June 2015

** Appointed as Member of the Committee with effect from 14 August 2015

The Statutory Auditor, Internal Auditor, Chief Financial Officer and Assistant General Manager (Finance and Accounts) are invited to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

iii. Meetings and Attendance during the year

During the Financial Year 2014-15, the Audit Committee met 4 times on the following dates:

24 May 2014	9 August 2014	8 November 2014	9 February 2015
-------------	---------------	-----------------	-----------------

Attendance during the year 2014-15:

Name of the Director	No. of meetings held	No. of meetings attended
Mr G Prasad	4	4
Cmde Sarvotham Rao*	4	4
Mr Ashok Atluri	4	4

* Retired as Director (Non Executive Independent) with effect from 29 June 2015

The Chairperson of the Audit Committee is always present at the AGM to give clarifications, if any, required by the members thereof.

4) Nomination and Remuneration Committee

i. Brief description of terms of reference

- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Carry out evaluation of every Director's performance.
- Formulation of criteria for determining qualifications, positive attributes and independence of a Director.

- d) Recommend to the Board policy relating to remuneration for the Directors, Key Managerial Personnel and other employees.
- e) Formulation of criteria for evaluation of Independent Directors and the Board.
- f) Devising a policy on Board diversity;
- g) Any other matter as the Board may decide from time to time

ii. Composition, name of members and Chairperson

The Nomination and Remuneration Committee of the Board is constituted with three Independent Directors and one Executive Director. The Composition of the Committee is given below:

Sl. No.	Name of the Director	Designation
1	Cmde Sarvotham Rao*	Chairperson
2	Mr G Prasad	Member (Chairperson w.e.f. 14-08-2015)
3	Mr Ashok Atluri	Member
4	Mrs M Sridevi	Member
5	Mr Venkat Samir Kumar Oruganti **	Member

* Retired as Director (Non Executive Independent) with effect from 29 June 2015

** Appointed as Member of the Committee with effect from 14 August 2015

iii. Attendance during the year 2014-15:

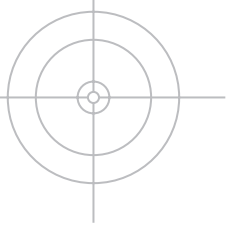
Name of the Director	No. of meetings held	No. of meetings attended
Cmde Sarvotham Rao*	2	2
Mr G Prasad	2	2
Mr Ashok Atluri	2	2
Mrs M Sridevi	2	1

iv. Nomination and Remuneration policy

The Nomination and Remuneration Policy is available on the Company's website at http://www.zentechnologies.com/investor_relations/Nomination-Remuneration-Policy.pdf

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.



v. Details of remuneration to all the directors

The details of sitting fee paid to the Independent Directors during the year are as follows:

Name of the Director	Amount (₹)
Cmde Sarvotham Rao	1,80,000
Mr G Prasad	2,00,000
Mrs M Sridevi	1,00,000

The details of remuneration paid to Executive Directors during the year are as follows:

Name of the Director and Designation	Salary	Benefits	Bonus	Pension	Commission	Amount (₹)	
						Service Contracts	Notice Period
Mr Ashok Atluri, Chairman and Managing Director	40,60,000	78,921	-	-	41,19,033 (2.49% of net profits calculated as per Section 198 of the Companies Act, 2013)	Appointed for a period of 5 years w.e.f 1 November 2014	As per the Company Rules
Mr M Ravi Kumar, Whole Time Director	33,60,000	11,110	-	-	-	Appointed for a period of 3 years w.e.f 29 June 2013	As per the Company Rules

There were no severance fees, stock option plan or performance linked incentive for Executive / Non-Executive Directors. The Chairman and Managing Director was appointed for a period of 5 years and the Whole Time Director for a period of 3 years as per the terms and conditions mentioned in the respective resolutions passed by the Members of the Company in the General Meetings.

Shares held by Non Executive Independent Directors

S. No.	Name of the Director	Number of Equity Shares (face value of ₹ 1/- each held in the Company)
1	Cmde Sarvotham Rao*	30,000
2	Mr G Prasad	Nil
3	Mrs M Sridevi	Nil

* Retired as Director (Non Executive Independent) with effect from 29 June 2015

5) Stakeholders Relationship Committee

i. Composition

The Stakeholders Relationship Committee of the Board is constituted with the following Directors:

S. No	Name of the Director	Designation
1	Mr G Prasad	Chairperson
2	Mr Ashok Atluri	Member
3	Mrs M Sridevi	Member

The Committee has been delegated with following powers:

- To review and redress shareholder / investor's complaints etc. relating to transfer of shares, non-receipt of balance sheet/ annual reports, non-receipt of declared dividends etc.
- To approve transfer and transmission and issue of duplicate/fresh share certificates
- To consolidate and sub-division of share certificates etc.
- To redress, approve and dispose of any other complaint, transaction and request etc. received from any shareholder of the Company and investor in general

M/s Karvy Computershare Private Limited, the Registrar and Share Transfer Agents has been delegated the power to process the transfer and transmission of shares. The share transfers are processed within the time prescribed under the statute from the date of request in case of shares held in physical form.

ii. Name and designation of Compliance Officer

Ms M Amala, Company Secretary is appointed to act as Compliance Officer as per Clause 47(a) of the Listing Agreement entered with the Stock Exchanges.

Email id for investor grievances: investors@zentechnologies.com

iii. Number of shareholders' complaints received so far

During the year ended 31 March 2015, the Company has received and resolved 3 investor complaints and there were no pending complaints as at the year end.

iv. Number not solved to the satisfaction of shareholders: Nil

v. Number of pending complaints: Nil

6) Subsidiary Company

Clause 49 of the Listing Agreement defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company did not have any "material non-listed Indian subsidiary" during the year under review.

The Subsidiary of the Company functions independently, with an adequately empowered Board of Directors. For more effective governance, the Minutes of Board Meetings of Subsidiary of the Company are placed before the Board of Directors of the Company for their review.

7) Risk Management

The Board formulated a Risk Management Policy identifying different kinds of risks and the mitigation measures adopted and to be adopted for dealing with the risks of the Company. Your Company has constituted a Risk Management Committee of the Board constituting Mr Ashok Atluri, Chairman and Managing Director, Mr M Ravi Kumar, Whole-time Director and Mr P V Krishna Mohan, Chief Financial Officer. The Committee regularly meets to monitor and review the risk management policy.

The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those that may threaten the existence of the Company. Risk management process has been established across the organization and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives.



8) General Body Meetings

i. Location and time, where last three AGMs held

The following are the details of the last three Annual General Meetings held:

Financial Year	Date	Time	Venue
2011-12	27-09-2012	9.00 a.m.	B - 42, Industrial Estate, Sanathnagar, Hyderabad – 500018
2012-13	28-09-2013	10.30 a.m.	B - 42, Industrial Estate, Sanathnagar, Hyderabad - 500018
2013-14	27-09-2014	10.30 a.m.	B - 42, Industrial Estate, Sanathnagar, Hyderabad - 500018

ii. Special Resolutions passed in the previous three AGMs:

19th AGM: No Special Resolution was passed

20th AGM: Reappointment and revision in terms of appointment of Mr M Ravi Kumar, Whole Time Director

21st AGM: No Special Resolution was passed

iii. Special Resolution passed last year through postal ballot – details of voting pattern

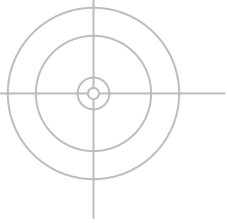
A. Special Resolutions were passed pursuant to Postal Ballot Notice dated 9 August 2014 to seek Members approval for the following:

- Amendment to Clause V of the Memorandum of Association of the Company
- Alteration of Articles of Association of the Company
- Authorizing Board of Directors to borrow money in excess of aggregate paid-up share capital and free reserves of the Company upto ₹ 500 Crores as per Section 180(1)(c) of the Companies Act, 2013
- Authorizing Board of Directors to create charge/ mortgage / hypothecation on the assets of the Company upto ₹ 500 Crores as per Section 180(1)(a) of the Companies Act, 2013

The details of voting pattern for Postal Ballot are given below:

Resolution (a)	Promoter /Public	No. of shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Amendment to Clause V of the Memorandum of Association of the Company	Promoter and Promoter Group	4,592,257	3,852,450	83.8901	3,852,450	0	100.0000	0.0000
	Public – Institutional holders	12,566	0	0.0000	0	0	0.0000	0.0000
	Public - Others	3,111,183	43,978	1.4135	43,969	9	99.9795	0.0205
	Total	7,716,006	3,896,428	50.4980	3,896,419	9	99.9997	0.0003

Resolution (b)	Promoter /Public	No. of shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Alteration of Articles of Association of the Company	Promoter and Promoter Group	4,592,257	3,852,450	83.8901	3,852,450	0	100.0000	0.0000
	Public – Institutional holders	12,566	0	0.0000	0	0	0.0000	0.0000
	Public - Others	3,111,183	43,978	1.4091	43,959	19	99.9567	0.0432
	Total	7,716,006	3,896,428	50.4980	3,896,409	19	99.9995	0.0005



Resolution (c)	Promoter /Public	No. of shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]* 100
Authorizing Board of Directors to borrow money in excess of aggregate paid-up share capital and free reserves of the Company upto ₹ 500 Crores as per Section 180(1)(c) of the Companies Act, 2013	Promoter and Promoter Group	4,592,257	3,852,450	83.890	3,852,450	0	100.000	0.000
	Public – Institutional holders	12,566	0	0.000	0	0	0.000	0.000
	Public - Others	3,111,183	43,978	1.409	43,869	109	99.752	0.248
	Total	7,716,006	3,896,428	50.498	3,896,319	109	99.997	0.003

Resolution (d)	Promoter /Public	No. of shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]* 100
Authorizing Board of Directors to create charge/ mortgage / hypothecation on the assets of the Company upto ₹ 500 Crores as per Section 180(1)(a) of the Companies Act, 2013	Promoter and Promoter Group	4,592,257	3,852,450	83.890	3,852,450	0	100.000	0.000
	Public – Institutional holders	12,566	0	0.000	0	0	0.000	0.000
	Public - Others	3,111,183	43,978	1.409	43,858	120	99.727	0.273
	Total	7,716,006	3,896,428	50.498	3,896,308	120	99.997	0.003

B. Special Resolution was passed pursuant to Postal Ballot Notice dated 30 January 2015 to seek Members approval for the following:

- a) Allocation of sub-limits for Portfolio Investment for Registered Foreign Portfolio Investor/s (RFPIs) (including Qualified Foreign Investor/s (QFIs) and Foreign Institutional Investor/s (FIIs)), Foreign Venture Capital Investor/s (FVCIs) and Non Resident Indian/s (NRIs) within the default portfolio investment limit of 24% of the paid-up equity share capital of the Company

The details of voting pattern for Postal Ballot are given below:

Promoter /Public	No. of shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	$(3) = \frac{(2)}{(1)} * 100$	(4)	(5)	$(6) = \frac{(4)}{(2)} * 100$	$(7) = \frac{(5)}{(2)} * 100$
Promoter and Promoter Group	45,865,340	30,441,000	66.37	30,441,000	0	100.00	0.00
Public – Institutional holders	134,150	0	0.00	0	0	0.00	0.00
Public - Others	31,160,570	49,421	0.16	47,441	1,980	95.99	4.01
Total	77,160,060	30,490,421	39.52	30,488,441	1,980	99.99	0.01

iv. Person who conducted the postal ballot exercise

Mr Mahadev Tirunagari, Practicing Company Secretary was appointed as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

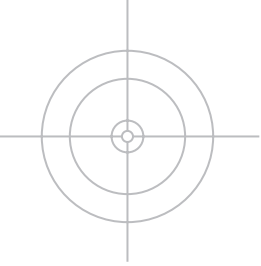
v. Whether any Special Resolution is proposed to be conducted through postal ballot

At the ensuing Annual General Meeting, there is no resolution proposed to be passed through Postal Ballot.

vi. Procedure for postal ballot

Procedure followed for conducting business through Postal Ballot is as prescribed under Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

The Company pursuant to the provisions of the Companies Act, 2013 and Clause 35B of the Equity Listing Agreement with the Stock Exchange offers E-voting facility to its members to enable them to cast their votes electronically, through the e-voting platform offered by Kany Computershare Private Limited. The Company dispatches through email Postal Ballot Notices and explanatory statements along with postal ballot forms and self addressed prepaid postage envelopes in compliance with the provisions of Section 110 of the Companies Act, 2013 to all the Members whose name



appear as members/beneficial owners in the Company's Register of members/ records of the depository as on the cutoff date. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Members are requested to return the Postal Ballot Forms duly completed with their assent (for) or dissent (against) in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer or cast their votes through e-voting before the close of working hours on the last date of voting.

The Scrutinizer carries out the scrutiny of all Postal Ballot Forms and submits his report to the Chairman of the Company. The results are also displayed on the website of the Company, www.zentechnologies.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

9) Disclosures

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large

During the year 2014-15, there was no materially significant related party transaction which had potential conflict with the interests of the Company at large. The details of the related party transactions are disclosed in the notes on accounts forming part of the Annual Report. In terms of Clause 49 of the Listing Agreement, the Board has formulated a Related Party Transaction Policy.

The Related Party Transaction Policy is uploaded on the website of the Company at http://www.zentechnologies.com/investor_relations/Related-Party-Transaction-Policy.pdf

ii. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

There were no instances of non-compliance, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

iii. Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee

The Company has framed a Whistle Blower Policy with a view to provide a vigil mechanism for Directors and Employees of the Company to report genuine concerns about unethical behavior, any wrongdoings, actual or suspected fraud or violation of the Company's Code of Conduct, legal or regulatory requirements and to provides direct access to the Chairperson of the "Audit Committee" in appropriate or exceptional cases, to provide adequate safeguards for protection of Employees and Directors from victimization or unfair treatment and ensure that frivolous accusations are not made.

The Audit Committee periodically reviews the functioning of the Whistle Blower Mechanism.

No personnel have been denied access to the Audit Committee. Whistle Blower Policy is uploaded on the website of the Company at:

http://www.zentechnologies.com/investor_relations/Whistle-Blower-Policy-2014.pdf

The Whistle Officer has not received any complaint for the financial year ended 31 March 2015.

iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. During the year under review, there is no audit qualification in your Company's financial statements. Your Company continues to adopt best practices to ensure regime of unqualified financial statements from non-mandatory requirements.

v. Disclosure of Accounting Treatment in preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

vi. Code for Prevention of Insider Trading Practices

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time (the "old Regulations") the Company has framed a Code of Conduct for prevention of Insider Trading.

The Securities and Exchange Board of India (SEBI) on 15 January 2015 notified the SEBI Prohibition of Insider Trading) Regulations, 2015 (the "new Regulations") which have come into force from 14 May 2015, thereby revamping the two-decade old Regulations. In accordance with the provisions of the new Regulations, the Company has formulated Code of Fair Disclosure and Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

The Code of Conduct to Regulate, Monitor and Report Trading by Insiders has been formulated to regulate, monitor and ensure reporting of trading by the Employees and Connected Persons designated on the basis of their functional role in the Company towards achieving compliance with the new Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable.

The Code of Conduct is posted on the website of the Company under Investors Section at: http://www.zentechnologies.com/investor_relations/Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-Insiders.pdf

vii. Management Discussion and Analysis Report

The Report on Management Discussion and Analysis is annexed to the Board's Report and forms part of this Annual Report.

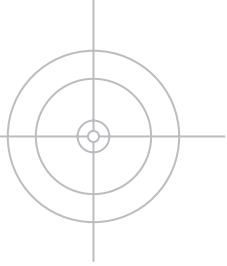
viii. Proceeds from public issues, rights issue, preferential issues, etc.

During the year, there were no proceeds from public issues, rights issues, preferential issues etc.

10) Means of Communication

i. Quarterly results

Quarterly financial results are forthwith announced to the Stock Exchanges as per the proforma prescribed in the listing agreement.



ii. Newspapers wherein results normally published

Quarterly / Half Yearly / Annual Audited Financial Results are published in widely circulated newspapers viz., Business Standard (English daily) and Andhra Prabha (Regional Newspaper – Telugu Daily).

iii. Any website, where displayed

Quarterly / Half Yearly / Annual Audited Financial Results, Annual Reports, Announcements, Investor information, Policies etc are displayed on the Company's website: www.zentechnologies.com under the Investors section.

iv. Whether it also displays official news releases

All Press Releases are displayed on the Company's website at http://www.zentechnologies.com/investor_relations/press_releases/

v. The presentations made to institutional investors or to the analysts

Investors Presentations are hosted on the website under Investors Section.

11) General Shareholder Information

i. 22nd Annual General Meeting

Day & Date : Saturday the 26 September 2015
Time : 9.30 a.m.
Venue : Regd. Off: B-42, Industrial Estate, Sanathnagar, Hyderabad - 500 018.

ii. Financial Year : 1 April to 31 March

Financial Calendar 2015-16 (Tentative Schedule)

Annual General Meeting (Next year): August/September 2016

Adoption of Quarterly results for the Quarter ending

30 June 2015	Within 45 days from the end of quarter
30 September 2015	Within 45 days from the end of quarter
31 December 2015	Within 45 days from the end of quarter
31 March 2016	Last week of May 2016

iii. Date of Book Closure

22 September 2015 to 26 September 2015 (both days inclusive)

iv. Dividend Payment Date

Within 30 days from the date of declaration of dividend in AGM i.e., on or before 25 October 2015

v. Listing on Stock Exchanges : BSE Limited, Mumbai

National Stock Exchange of India Limited, Mumbai

The Equity Shares of the Company are listed on BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. The Company confirms that it has paid annual listing fees to the Stock Exchanges for the year 2015-16.

vi. Stock Code

(a) Security ID / Symbol	ZENTEC
(b) Demat ISIN number in NSDL & CDSL	INE251B01027
(c) Scrip Code	533339

Electronic Connectivity

National Securities Depository Limited Trade World, Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai- 400 013	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers, 28th Floor Dalal Street, Mumbai-400 023
---	---

vii. Market Price Data: High, Low during each month in last financial year

BSE Limited

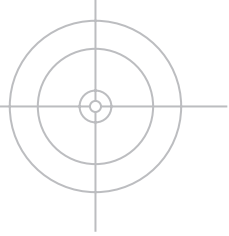
Month	High (₹)	Low (₹)	No. of Shares traded
April 2014	110.75	90.00	48,809
May 2014	110.80	87.15	2,17,048
June 2014	126.90	105.95	1,73,433
July 2014	134.00	106.00	1,13,584
August 2014	135.00	95.00	51,399
September 2014	213.95	99.25	3,20,869
October 2014	329.00	229.00	10,33,741
November 2014	502.80	48.10	16,84,515
December 2014	48.30	38.85	23,19,753
January 2015	62.80	42.25	41,10,039
February 2015	67.80	52.05	32,06,622
March 2015	62.80	40.00	19,47,425

* During the year, the Company has sub-divided each Equity Share of face value of ₹ 10/- (Rupees Ten only) as existing on the Record Date (24 November 2014) into 10 (Ten) Equity Shares of face value of ₹ 1/- (Rupee One only) each fully paid-up, with effect from the Record Date.

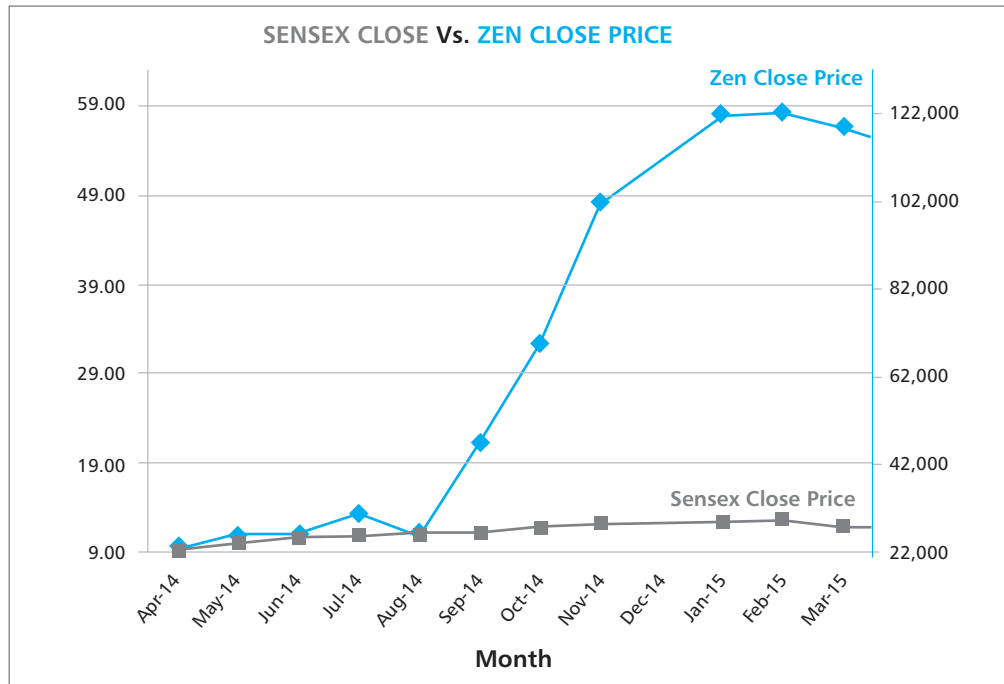
NSE Limited

Month	High (₹)	Low (₹)	No. of Shares traded
March 2015	58.50	49.00	1,97,100

The Equity Shares of the Company were listed on the National Stock Exchange of India Limited w.e.f 30 March 2015.



viii. Performance in comparison to BSE SENSEX



* During the year, the Company has sub-divided each Equity Share of face value of ₹ 10/- (Rupees Ten only) as existing on the Record Date (24 November 2014) into 10 (Ten) Equity Shares of face value of ₹ 1/- (Rupee One only) each fully paid-up, with effect from the Record Date. Accordingly, Zen Close Price information reflects the effect of subdivision retrospectively for the earlier reporting periods.

ix. Registrars and Share Transfer Agents:

Karvy Computershare Private Limited
 Unit: Zen Technologies Limited
 Karvy Selenium Tower B, Plot No 31 & 32,
 Gachibowli, Financial District, Nanakramguda,
 Serilingampally Mandal, Hyderabad – 500 032
 Phone: +91 -40 - 67161605
 Fax: + 91- 40 - 23001153
 Email id: einward.ris@karvy.com

x. Share Transfer system

The Company has appointed Karvy Computershare Private Limited, Hyderabad as Registrar and Share Transfer Agents for the purpose of carrying on the work relating to share transfers both physical and demat form. The requests received for transfer of shares from the shareholders are normally completed within prescribed time, subject to the documents being valid and complete in all respects.

xi. Distribution of Shareholding

Distribution of Shareholding as on 31 March 2015 is as follows:

Shareholding of nominal value of ₹		Shareholders		Share Amount	
		Number	% to Total	In ₹	% to Total
1	5,000	4,092	87.75	42,09,667	5.46
5,001	10,000	217	4.65	17,69,551	2.29
10,001	20,000	140	3.00	21,23,828	2.75
20,001	30,000	79	1.69	19,93,232	2.58
30,001	40,000	29	0.62	10,19,109	1.32
40,001	50,000	19	0.41	8,72,040	1.13
50,001	1,00,000	37	0.79	26,50,073	3.43
1,00,001 and Above		50	1.07	6,25,22,560	81.03
TOTAL		4,663	100.00	7,71,60,060	100.00

Shareholding Pattern as on 31 March 2015:

Sl. No	Category	No. of Shares Held	% of Shareholding
1	Promoters and Promoters Group	4,58,65,340	59.44
2	Bodies Corporate	50,03,314	6.48
3	Resident Individuals	2,55,28,640	33.09
4	NRI	5,73,491	0.74
5	Qualified Foreign Investor	90,000	0.12
6	Others	99,275	0.13
Total		77,160,060	100.00

xii. Dematerialization of shares and liquidity

As on 31 March 2015, 7,66,27,740 equity shares were dematerialized which constitute 99.31 % of the total paid up capital.

The particulars of dematerialization are as follows:

Sl. No.	Category	No. of Cases	Total No. of Shares	% of Equity
1	PHYSICAL	158	5,32,320	0.69
2	NSDL	2,833	4,98,81,210	64.65
3	CDSL	1,672	2,67,46,530	34.66
Total		4,663	7,71,60,060	100.00

xiii. Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: NIL

xiv. Plant Locations:

- Ward No 6. Ram Shehar Road
Nalagarh, Solan (Dist) -174101
Himachal Pradesh, India
Phone : +91-1795-220671

- 
2. Plot No.35, 36 & 37
Kancha Imarath
Near Ravirala Village
Hardware Park
Ranga Reddy District - 501 510
Telangana State, India

xv. Address for correspondence

Company:

M Amala, Company Secretary
Zen Technologies Limited
B-42, Industrial Estate
Sanathnagar, Hyderabad - 500 018
Phone : +91-40 - 23814894, 23813294
Fax : +91-40 – 23813694
Email id: investors@zentechnologies.com

Registrar and Share Transfer Agents:

Karvy Computershare Private Limited
Unit: Zen Technologies Limited
Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad – 500 032
Phone: +91 -40 - 67161605
Fax: + 91- 40 - 23001158
Email id: einward.ris@karvy.com

xvi. Corporate Identity Number: L72200TG1993PLC015939

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of Zen Technologies Limited

I, Ashok Atluri, Chairman and Managing Director of Zen Technologies Limited declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the year ended 31 March 2015.

Place: Hyderabad
Date: 14 August 2015

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members
Zen Technologies Limited
Hyderabad

We have examined the compliance of the requirements of Corporate Governance by **Zen Technologies Limited** for the year ended on 31 March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of the requirements is the responsibility of the Management. Our examination has been limited to the procedures and implementation thereof, adopted by the Company, for ensuring such compliance. This examination is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the requirements of Corporate Governance as stipulated in the above mentioned Listing Agreement.

The above compliance however is not an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Gokhale & Co
Chartered Accountants
Firm Regn. No 000942S

Chandrashekhar Gokhale
Partner
Membership No 23839

Place: Hyderabad
Date: 14 August 2015



CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, Ashok Atluri, Chairman and Managing Director and P V Krishna Mohan, Chief Financial Officer of Zen Technologies Limited, certify that:

1. We have reviewed financial statements and the cash flow statement for the financial year ended 31 March 2015 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - These statements together present a true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of Company's Code of Conduct
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and Audit Committee:
 - a. Significant changes in internal control over financial reporting during the year
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - c. That there have been no instances of significant fraud of which we have become aware, involving of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Zen Technologies Limited

Place: Hyderabad
Date: 23 May 2015

Ashok Atluri
Chairman and Managing Director
DIN: 00056050

P V Krishna Mohan
Chief Financial Officer
M No. ACA 026455

INDEPENDENT AUDITORS' REPORT

To
The Members
Zen Technologies Limited
Hyderabad

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Zen Technologies Limited**, which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

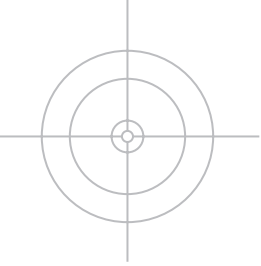
Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2015 (' the order '), issued by the Central Government of India in terms of Subsection 11 of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **Gokhale & Co**
Chartered Accountants
FRN: 000942S

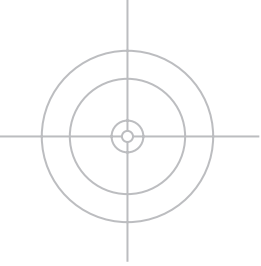
Chandrashekhar Gokhale
Partner
Membership No. 023839

Place: Hyderabad
Date: 23 May 2015

Annexure

As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of Sub-section (11) of section 143 of the Companies Act, 2013 (18 of 2013) and on the basis of such checks, as we considered appropriate, we further report that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management according to a phased programme designed to cover all assets on rotation basis. In respect of assets verified according to this programme, which is reasonable, no material discrepancies were noticed.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of its services.
- (v) The company has not accepted deposits from the public covered by the provisions of sections 73 to 76 of the Companies Act.
- (vi) We have been informed that as per the Companies (Cost Records and Audit) Amendment Rules, 2014 the company is not required to maintain cost records.
- (vii) (a) The company has been regular in depositing its undisputed statutory dues including Provident Fund, ESI, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other statutory dues.
- (b) As at the year end there were no dues of income tax, sales tax, wealth tax, service tax or duty of customs or duty of excise, value added tax or cess which have not been deposited on account of any dispute.
- (c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The company had no accumulated losses and has not incurred cash losses during the financial year covered by our audit or in the preceding financial year.
- (ix) The company has not defaulted in repayment of dues to its Bank in respect of Loans taken by it. There were no dues payable to any financial institution/s.
- (x) The company has not given any guarantee for loans taken by others from bank or financial institutions.



- (xi) No term loans have been taken from Banks or Financial Institutions by the company during the year under audit. The company has taken term loan from Technology Development Board (TDB) and the same has been utilized for the intended purpose.
- (xii) On the basis of information and explanations given to us no fraud on or by the company has been noticed or reported during the year.

For Gokhale & Co
Chartered Accountants
Firm Regn. No 000942S

Place: Hyderabad
Date: 23 May 2015

Chandrashekhar Gokhale
Partner
Membership No 023839

BALANCE SHEET AS AT 31 MARCH 2015

(in ₹)

Particulars	Note No.	As at 31 March	
		2015	2014
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3.01	77,160,060	77,160,060
(b) Reserves and surplus	3.02	1,033,337,567	908,450,258
		1,110,497,627	985,610,318
Non-current liabilities			
(a) Long-term borrowings	3.03	40,679,159	44,399,836
(b) Long-term provisions	3.04	8,875,075	5,238,411
		49,554,234	49,638,247
Current liabilities			
(a) Short-term borrowings	3.03	348,242,456	124,765,246
(b) Trade payables	3.05	31,249,937	20,933,856
(c) Other current liabilities	3.06	162,244,989	92,674,884
(d) Short-term provisions	3.04	73,272,877	9,217,860
		615,010,259	247,591,846
TOTAL		1,775,062,120	1,282,840,411
ASSETS			
Non-current assets			
(a) Fixed assets			
- Tangible assets	3.07	440,571,714	438,748,383
- Intangible assets		32,815,942	49,221,452
- Capital work-in-progress		3,114,900	10,355,919
(b) Non-current investments	3.08	500,000	500,000
(c) Long-term loans and advances	3.09	46,820,356	59,136,424
(d) Other non-current assets	3.10	-	-
		523,822,912	557,962,178
Current assets			
(a) Inventories	3.11	150,172,849	98,476,010
(b) Trade receivables	3.12	624,117,533	114,649,213
(c) Cash and bank balances	3.13	376,381,625	420,229,989
(d) Short-term loans and advances	3.14	97,165,109	88,371,443
(e) Other current assets	3.10	3,402,092	3,151,578
		1,251,239,208	724,878,233
TOTAL		1,775,062,120	1,282,840,411
Summary of significant accounting policies		1&2	
The accompanying notes are an integral part of financial statements			

As per our Report of even date

For and on behalf of the Board

Gokhale & Co.,
Chartered Accountants
Firm Regn. No.: 000942S

Chandrashekhhar Gokhale
Partner
M.No: 23839

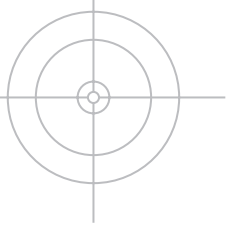
Place: Hyderabad
Date: 23 May 2015

Ashok Atluri
Chairman & Managing Director
(DIN: 00056050)

M Amala
Company Secretary
(M.No. FCS 7611)

M Ravi Kumar
Whole Time Director
(DIN: 00089921)

P V Krishna Mohan
Chief Financial Officer
(M.No. ACA 026455)



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

(In ₹)

Particulars	Note No.	For the Year ended 31 March	
		2015	2014
REVENUE			
Revenue from operations	3.15	785,477,437	463,524,959
Other income	3.16	33,170,030	35,359,812
Total (A)		818,647,467	498,884,771
EXPENSES			
Cost of Materials and Components consumed	3.17	325,553,162	125,724,090
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	3.18	(82,152,500)	(3,680,000)
Manufacturing Expenses	3.19	17,892,127	15,887,017
Employee Benefits Expense	3.20	72,034,111	60,116,626
Other Expenses	3.22	243,320,129	259,263,487
Total (B)		576,647,029	457,311,220
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	(A-B)	242,000,438	41,573,550
Finance Costs	3.21	21,335,179	24,753,799
Depreciation and Amortization Expense	3.23	22,505,073	15,695,927
Profit/(Loss) before tax		198,160,186	1,123,824
Tax Expense	3.24		
Current tax		40,768,430	190,519
Total Tax Expenses		40,768,430	190,519
Profit/(Loss) for the year		157,391,756	933,306
Earnings per equity share of face value of ₹ 1/- each	3.25		
Basic -		2.04	0.01
Diluted -		2.04	0.01
Summary of significant accounting policies	1&2		
The accompanying notes are an integral part of the financial statements			

As per our Report of even date

For and on behalf of the Board

Gokhale & Co.,
Chartered Accountants
Firm Regn. No.: 000942S

Chandrashekhar Gokhale
Partner
M.No: 23839

Place: Hyderabad
Date: 23 May 2015

Ashok Atluri
Chairman & Managing Director
(DIN: 00056050)

M Amala
Company Secretary
(M.No. FCS 7611)

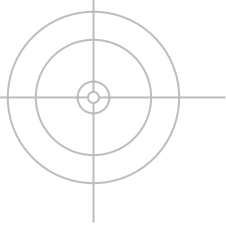
M Ravi Kumar
Whole Time Director
(DIN: 00089921)

P V Krishna Mohan
Chief Financial Officer
(M.No. ACA 026455)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

Particulars	For the Year ended 31 March	
	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,981.60	11.24
Non-cash adjustments:		
Depreciation and amortisation expenses	427.20	503.80
Interest expense/Finance cost	213.35	247.54
Interest income	328.82	(353.61)
Profit on sale of asset	(0.19)	(0.02)
Operating profit before working capital changes	2,950.78	408.97
Changes in working capital:		
Increase/(decrease) in trade payables	103.16	78.91
Increase/(decrease) in other current liabilities	693.80	575.68
Increase/(decrease) in short-term provisions	(92.17)	(13.74)
Increase/(decrease) in long-term provisions	36.37	11.55
Decrease/(increase) in trade receivables	(5,094.68)	144.46
Decrease/(increase) in inventories	(516.97)	(463.43)
Decrease/(increase) in short-term loans & advances	(42.52)	(26.26)
Decrease/(increase) in other current assets	(2.51)	63.11
Decrease/(increase) in other non-current assets	-	-
Cash generated from /(used in) operations	(1,964.74)	779.24
Receipt from sale of Vehicle	-	1.40
Direct tax payments (net of refunds)	(43.51)	215.59
Net cash flow from/(used in) operating activities (A)	(2,008.25)	996.23



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

Particulars	For the Year ended 31 March	
	2015	2014
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/decrease in tangible and intangible fixed assets	(281.21)	(2,465.44)
(Increase)/decrease in capital work in progress	72.42	186.50
Interest received	(328.82)	353.58
(Increase)/decrease in non current investments	-	-
(Increase)/decrease in long-term loans & advances	123.16	1,121.78
Net cash flow from/(used in) investing activities (B)	(414.45)	(803.58)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in long-term borrowings	(37.21)	259.39
Increase/(decrease) in short-term borrowings	2,234.77	220.65
Increase/(decrease) in Share Premium & Reserves	-	(794.99)
Interest paid	(213.35)	(247.54)
Dividend tax paid	-	(13.11)
Dividend paid on equity shares	-	(77.16)
Net cash flow from/(used in) in financing activities (C)	1,984.21	(652.76)
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(438.48)	(460.07)
Cash & cash equivalents at the beginning of the year	4,202.30	4,662.37
Cash & cash equivalents at the end of the year	3,763.82	4,202.30
Note: 1. Figures in brackets indicate cash outgo.		
2. Previous year figures have been regrouped wherever necessary to conform to the current year's classification.		

As per our Report of even date	For and on behalf of the Board	
Gokhale & Co., Chartered Accountants Firm Regn. No.: 000942S	Ashok Atluri Chairman & Managing Director (DIN: 00056050)	M Ravi Kumar Whole Time Director (DIN: 00089921)
Chandrashekhar Gokhale Partner M.No: 23839	M Amala Company Secretary (M.No. FCS 7611)	P V Krishna Mohan Chief Financial Officer (M.No. ACA 026455)
Place : Hyderabad Date: 23 May 2015		

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1 CORPORATE INFORMATION

Zen Technologies Limited is a public company incorporated under the provisions of the Companies Act, 1956 having corporate office at B-42, Industrial Estate, Sanathnagar, Hyderabad-500018, India. The Equity Shares of the Company are listed on BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. The Company is engaged in design, development and manufacture of Training Simulators for Police and Para-military Forces, Armed Forces, Security Forces, Government Departments like Transport, Mining, Infrastructure and Civilian market. The Company caters to both domestic and international market. The Company is having two manufacturing units- 1) Hardware Park, Maheswaram Mandal, Telangana, India and 2) Nalagarh, Dist Solan, Himachal Pradesh, India.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year unless otherwise stated.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.3 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above the cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods include excise duty and is determined on a weighted average basis.

2.4 Cash and cash equivalents

Cash and cash equivalent for the purposes of cash flow statement comprise cash at bank, cash in hand, demand deposits and other bank balances.



2.5 Cash flow statement

Cash flows are reported using the indirect method in accordance with 'Accounting Standard -3' issued under the Companies (Accounting Standards) Rules,2006, whereby profit /(loss) before the extraordinary items and tax, is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortization

The Company has revised its estimated useful life of tangible and intangible assets wherever appropriate with effect from 01.04.2014 based on the internal evaluations as per Schedule II to the Companies Act, 2013. The straight line method is being used to depreciate the assets. The carry forward amount as on 01.04.2014 is depreciated over the remaining useful life as a result of changes, the depreciation and amortization charge for the year ended 31.03.2015 is higher. The effect of those assets whose useful life had completed prior to 01.04.2014 amounting to ₹ 44.64 Lakhs has been charged to Profit & Loss account. The depreciation is not comparable with corresponding period(s).

The following rates have been used for providing the depreciation on the tangible & intangible fixed assets

Asset Description	Useful life of Asset
Buildings (Other than factory buildings)	60 years
Factory Buildings	30 years
Plant and Machinery	15 years
Office Equipment	5 years
Computers	3 years
Vehicles	8 years
Furniture & Fixtures	10 years
Testing Equipment	10 years
Software	33.33%

Amounts spent for capital work-in-progress including advance given for capital goods are grouped under capital work-in-progress.

2.7 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation. The cost of fixed assets includes interest on borrowings attributable to acquisition of fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Individual assets costing rupees five thousand or below are fully depreciated in the year of acquisition and put to use.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses.

2.8 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following recognition criteria is applied before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of goods. The Company collects sales tax and Value Added Tax (VAT) on behalf of the government and therefore, these are not economic benefits flowing to the Company, hence they are excluded from the revenue. Excise duty deducted from revenue (gross) is the amount that was included in the revenue (gross).

Excise duty

Excise duty has been accounted as and when goods are dispatched and no provision is made for the goods lying at the year end. This accounting treatment has been followed consistently and has no impact on the profitability of the company.

Sale of Services

Revenue from Annual Maintenance Contracts (AMC) is recognized on pro-rata basis over the period in which such services are rendered. The Company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from the revenue.

Interest on bank deposits

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the Statement of Profit and Loss.

2.9 Foreign currency transactions

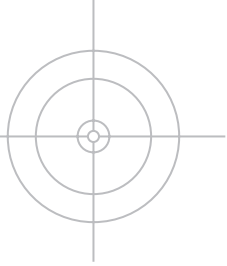
Expenses and income are recorded at the exchange rate prevailing on the date of transaction. Assets and Liabilities on the date of the Balance Sheet are restated at the exchange rate prevailing on the Balance Sheet date. Exchange rate differences arising on settlement of the transaction and on account of restatement of Assets and Liabilities are dealt with in the Statement of Profit and Loss.

2.10 Investments

Long-term investment held in equity share capital of wholly owned subsidiary company is carried at cost.

2.11 Employee Retirement and other benefits

The Company operates defined benefit plan of Group Gratuity for its employees. The Company has taken a Group Gratuity Scheme with Life Insurance Corporation of India. The premium payable under the scheme is provided in the books on accrual basis. The present value of the defined benefit obligation and the related current service cost were measured using actuarial valuation carried out by an independent actuary consultant at each year end. Actuarial valuation is carried out using the projected unit credit method. Gratuity is calculated as per the Payment of Gratuity Act, 1972 on actual liability basis.



The Company does not have any scheme for leave encashment in place.

In respect of retirement benefits in the form of provident fund, the contribution payable by the company for the year is charged to the Statement of Profit and Loss. The Company has no obligation other than the contribution payable to the provident fund.

2.12 Earnings per share

Basic earnings per share are computed by dividing the net profit / (loss) after tax attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

2.13 Taxes on income

Minimum alternate tax (MAT) payable is charged to the Statement of Profit and Loss as current tax.

2.14 Provisions

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an out flow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

2.15 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an out flow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.16 Research and development costs

Revenue costs are expensed in the year in which they are incurred and the capital expenditure is added to fixed assets and are depreciated in accordance with depreciation policy of the Company.

2.17 Dividends

Provision made in the accounts for the dividends payable by the Company as recommended by the Board of Directors, pending approval of the shareholders at the Annual General Meeting. Income tax on dividends payable is provided for in the year to which such dividends relate.

2.18 Overdraft facilities from banks are secured by way of pledge of Fixed Deposits and the working capital facilities (₹ 15 Crore) from Indian bank are secured by equitable mortgage of immovable properties and other fixed assets pari-pasu charge with Technology Development board (TDB).

2.19 The Company operates in one segment i.e., Training and simulation.

2.20 The Common expenses incurred at Head Office were allocated between Head Office and Himachal Pradesh unit based on Net turnover.

2.21 All Fixed deposits were kept with Scheduled banks only.

2.22 The unclaimed dividend amount for all the earlier financial year as on 31 March 2015 is ₹ 8,22,017/- details of which are given below:

Sl. No	Name of the Bank	Year of declaration of dividend	Unclaimed Amount (₹)
1	HDFC Bank	2007-08	1,25,703.00
2	HDFC Bank	2008-09	1,53,211.50
3	HDFC Bank	2009-10	1,55,281.50
4	HDFC Bank	2010-11	60,976.50
5	HDFC Bank	2011-12	2,25,036.50
6	HDFC Bank	2012-13	49,654.00
7	HDFC Bank	2013-14	52,154.00
	TOTAL		8,22,017.00

2.23 Receivables do not include any amount due and recoverable from directors or other officers of the Company, or Companies under the same management.

2.24 The balances of Sundry Debtors, Creditors and advances in various personal accounts are subject to reconciliation and conformation with the concerned parties.

2.25 There are no disclosures required to be made under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 as there are no outstanding amounts remaining unpaid at the end of the year.

2.26 In respect of Chits of Margadarsi Chit Fund, profit / loss on account of two chits will be accounted at the time of completion of chits.

2.27 Corporate Social Responsibility (CSR) amount is worked out to ₹ 30,05,500/- at 2% average of preceding 3 financial years profits. Out of this, Company has already spent ₹ 5,11,600/- and the balance of ₹ 24,93,900/- will be spent.

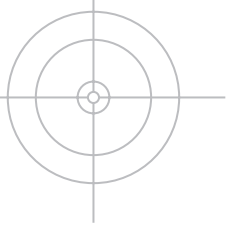
2.28 None of the pending litigations have any impact on Company's financial position.

2.29 As per Cost Audit applicability, cost compliance is not applicable for FY 2014-15 as the Company is classified as small enterprise under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

2.30 Directors Remuneration

(in ₹)

S. No	Particulars	2014-15	2013-14
1	Directors' Remuneration		
	Chairman and Managing Director		
	Salary, Perquisites & Allowances	41,38,921	34,23,781
	Commission	41,19,033	-
	Total	82,57,954	34,23,781
2	Other Director		
	Salary, Perquisites & Allowances	33,71,110	30,93,790
	Total	33,71,110	30,93,790



2.31 Foreign Currency Expenses

(in ₹)

Particulars	2014-15	2013-14
Capital Goods	1,87,094	-
Raw Materials and Components	-	-
Stores and Spares	22,54,484	5,68,675
Foreign Travel (Exclusive of tickets purchased)	19,92,364	14,96,218
Software	-	5,74,85,438
Internet Charges	-	12,749
Membership	18,69,968	10,80,532
Professional charges	13,21,128	14,94,626
Exhibition Expenses	42,34,212	31,19,544
Others	59,48,032	17,35,733

2.32 The company measures EBITDA on the basis of profit/(loss) from continuing operations and the company does not include depreciation and amortization expense, finance costs and tax expense in the measurement of EBITDA.

2.33 Value of Imported and indigenous raw materials and components consumed.

(₹ in lakhs)

Particulars	2014-15		2013-14	
	Value	%	Value	%
Indigenous raw material and stores	2950.97	100	1251.55	99.55
Imported stores and components	-	-	5.69	0.45

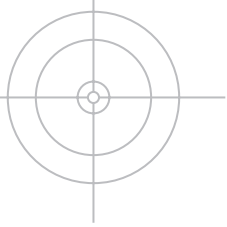
2.34 In the opinion of Board of Directors, the current assets, loans and advances are expected to realize approximately the value stated in the ordinary course of business.

As per our Report of even date	For and on behalf of the Board	
Gokhale & Co., Chartered Accountants Firm Regn. No.: 000942S Chandrashekhar Gokhale Partner M.No: 23839 Place : Hyderabad Date: 23 May 2015	Ashok Atluri Chairman & Managing Director (DIN: 00056050) M Amala Company Secretary (M.No. FCS 7611)	M Ravi Kumar Whole Time Director (DIN: 00089921) P V Krishna Mohan Chief Financial Officer (M.No. ACA 026455)

NOTES ON FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	As at 31 March 2015		As at 31 March 2014	
3.01	SHARE CAPITAL				
	Authorised				
	20,00,00,000 (31 March 2014: 2,00,00,000) Equity shares of ₹ 1/- each	200,000,000		200,000,000	
		200,000,000		200,000,000	
	Issued, subscribed and paid-up				
	7,71,60,060 (31 March 2014: 77,16,006) Equity shares of ₹1/- each, fully paid-up	77,160,060		77,160,060	
	a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period (31 March 2014: Face Value of ₹ 10/- each)				
	Particulars	31 March 2015		31 March 2014	
		Nos of Shares	₹	Nos of Shares	₹
	At the beginning of the period	77,160,060	77,160,060	8,888,432	88,884,320
	Changes during the year (Buy back of Shares)	-	-	(1,172,426)	(11,724,260)
	Outstanding at the end of the period	77,160,060	77,160,060	7,716,006	77,160,060
	b. Terms/rights attached to equity shares				
	The Company has only one class of equity shares having a par value of ₹ 1/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
	During the year ended 31 March 2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 0.35 (previous year : ₹1.00)				
	c. Details of shareholders holding more than 5% shares in the Company of ₹ 1/- each fully paid (31 March 2014: Face Value of ₹ 10/- each)				
	Name of the share holder	As at 31 March 2015		As at 31 March 2014	
		No of Shares	%	No of Shares	%
	Ashok Atluri	25,402,900	32.92	2,540,290	32.92
	Kishore Dutt Atluri	12,329,600	15.98	1,232,960	15.98
	As per records of the Company, including its register of shareholders/members and the declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.				
	d. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:				
	Particulars	2014-15	2013-14	2012-13	2011-12
	No. of Equity Shares bought back by the company during the year	-	1,172,426	-	-
	Aggregate Number of Equity Shares bought back by the company	1,187,994	1,187,994	15,568	15,568



NOTES ON FINANCIAL STATEMENTS

(in ₹)

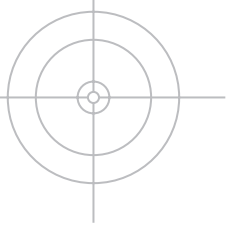
Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.02	RESERVES AND SURPLUS		
	Securities premium reserve (Share premium)		
	Balance as per the last Balance Sheet	89,185,359	158,304,880
	Less: 11,72,426 Shares bought back for a premium of ₹ 58.95	-	69,119,521
	Closing Balance	89,185,359	89,185,359
	General reserve		
	Balance as per the last Balance Sheet	336,097,550	346,478,189
	Less: Transfer to Capital Redemption Reserve	-	11,724,260
	Add: Dividend & Dividend Tax Excess Provision Reversed	-	1,343,621
	Add: Transfer from P&L Accumulated account	13,902,450	-
	Closing Balance	350,000,000	336,097,550
	Capital Redemption Reserve		
	Balance as per the last Balance Sheet	11,724,260	-
	Add: Transfer from General reserve	-	11,724,260
		11,724,260	11,724,260
	Surplus/(deficit) in the Statement of Profit and Loss		
	Balance as per last Balance Sheet	471,443,089	479,537,124
	Add : Net Profit/(loss) for the current period	157,391,756	933,306
	Balance available for appropriation	628,834,845	480,470,430
	Less: Appropriation		
	Proposed Equity dividend (amount per share ₹ 0.35) (31 March 2014: ₹1.00)	27,006,021	7,716,006
	Tax on proposed equity dividend	5,498,426	1,311,335
	Transfer to General Reserve	13,902,450	-
	Total appropriations	46,406,897	9,027,341
	Net surplus in the Statement of Profit and Loss	582,427,948	471,443,089
	Total Reserves and Surplus	1,033,337,567	908,450,258

NOTES ON FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	Non-current portion		Current maturities	
		As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
3.03	LONG-TERM BORROWINGS				
	Secured				
	- Term Loan from TDB (Ref Note 1 & 2)	35,000,000	43,556,000	8,556,000	8,556,000
	- Vehicle loan	3,085,323	-	-	-
	- Interest accrued on TDB loan	2,593,836	843,836	-	1,348,630
		40,679,159	44,399,836	8,556,000	9,904,630
	Note: 1 The Loan taken from Technology Development Board (TDB), Ministry of Science and Technology, Govt. of India, was utilised as part-finance for design, development and commercialization of Zen Driving Training Simulator for Overseas market. The loan carries interest @5% p.a and is repayable in 9 half yearly installments commencing from 01.04.2012. The loan is secured by equitable mortgage of immovable properties and other fixed assets pari-passu charge with Indian Bank. The loan is also guaranteed by the company's own guarantee and pledging of 31,11,400 equity shares of ₹ 1/- each owned by the Managing Director of the company.				
	Note: 2 The Loan assistance granted from Technology Development Board (TDB), Ministry of Science and Technology, Govt. of India, for ₹ 1,160 lakhs (received during the financial year 2013-14 ₹ 350 lakhs as first installment towards implementation of the project) is being utilized for part financing the project "Development and Commercialization of Unmanned Aerial Vehicle Mission Simulator". The loan carries interest @ 5% (simple interest) per annum and is repayable in total nine half yearly installments commencing from 1 October 2015. The loan is secured by equitable mortgage of immovable properties and other fixed assets pari-passu with Indian Bank. The loan is also guaranteed by the Company's own guarantee and pledging of 1,50,00,000 equity shares of ₹ 1/- each owned by the Managing Director of the Company.				

Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.03	SHORT-TERM BORROWINGS		
	Secured		
	Loan repayable on demand (Refer Note 1)		
	- 9.75% (PY 10.00%) OD I against Fixed Deposits from Indian Bank	116,476,491	84,596,954
	- 9.75% (PY 10.00%) OD II against Fixed Deposits from Indian Bank	90,820,070	40,118,161
	- 13.30% (PY 13.25%) against Indian Bank OCC account	63,613,311	50,131
	- 9.75% against Corporation OD account	63,056,682	-
	- NSIC Limited (Refer No 2)	14,275,902	-
		348,242,456	124,765,246
	Note : 1 The above mentioned overdraft facilities are secured by way of pledge of fixed deposits. Working Capital facilities (₹ 15 Crore) from Indian Bank are secured by equitable mortgage of immovable properties and other fixed assets pari-passu charge with Technology Development Board (TDB).		
	Note: 2 Against submission of Bank Guarantee NSIC Limited sanctioned and disbursed Raw Material Assistance (RMA) loan with interest rate @ 12.95% per annum.		



NOTES ON FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	Long-term		Short-term	
		As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
3.04	PROVISIONS				
	Provision for employee benefit				
	- Provision for gratuity (Ref Note)	8,375,075	4,738,411	-	-
	Other Provisions				
	- Proposed dividend	-		27,006,021	7,716,006
	- Tax on dividend	-		5,498,426	1,311,335
	- Provision for MAT	-		40,768,430	190,519
	- Provision for decline, other than temporary, in the value of long term investments	500,000	500,000	-	-
		8,875,075	5,238,411	73,272,877	9,217,860
	Note: The Company operates Group Gratuity Scheme for its employees. Under the scheme of gratuity, every employee who has completed minimum 5 years of service gets gratuity on departure @15 days last month's drawn basic salary for each completed year of service. The gratuity scheme is funded with Life Insurance Corporation of India in the form of Group Gratuity Scheme (GGS). The provision is estimated by an independent consulting actuary as per requirements of (AS) 15 (Revised 2005) as prescribed under The Companies (Accounting Standard) Rules, 2006.				

Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.05	TRADE PAYABLES		
	Trade payables		
	- Dues to Micro and Small Enterprises	-	-
	- Others	31,249,937	20,933,856
		31,249,937	20,933,856

S. No	Particulars	Gratuity 2014-15
I	Change in Present value of obligation	
	PVO at beginning of the year	14,227,898
	Interest cost	1,293,043
	Current service cost	4,132,867
	Benefits paid	(315,573)
	Actuarial gain/(loss) on obligation	307,142
	PVO at the end of the period	19,645,377
II	Change in fair value of plan Assets	
	Fair value of plan Assets at beginning of period	9,489,487
	Expected return on plan Assets	894,005
	Contributions	1,203,381
	Benefits paid	(315,573)
	Actuarial gain/(loss) on plan assets	(998)
	Fair value of plan Assets at the end of period	11,270,302
III	Net status of Plan	8,375,075
IV	Net amount recognized	8,375,075

NOTES ON FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.06	OTHER CURRENT LIABILITIES		
	Current maturities of long-term debt (Note 3.03)	8,556,000	9,904,630
	Unclaimed dividends	822,017	937,602
	Employee salaries and benefits:		
	- Salaries and benefits	14,727,606	1,156,331
	- Bonus and incentives	8,182,282	7,333,006
	Other payables:		
	Provision for expenses	434,750	701,251
	Taxes payable:		
	- Service tax payable	1,068,129	645,309
	- Sales tax payable	31,083,693	1,078,885
	- TDS payable	2,492,367	768,938
	- Wealth Tax payable	85,000	60,000
	Advance from customers	94,793,145	70,088,931
		162,244,989	92,674,884

NOTES ON FINANCIAL STATEMENTS

3.07 FIXED ASSETS

(in ₹)

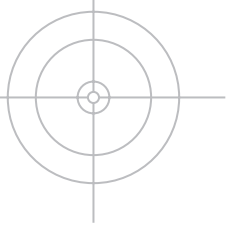
Description	Life of Asset	Gross block			Accumulated depreciation			Net block			
		Opening Balance	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2015	As at 1 April 2014	Charge for the year	Sales/ Adjustments during the year	Total 31 March 2015	As at 31 March 2015	As at 31 March 2014
Hyderabad Unit (Telangana) Production Division TANGIBLE											
Land		39,830,091	-	-	39,830,091	-	-	-	-	39,830,091	39,830,091
Building- Chandralok	60 yrs	487,791	-	-	487,791	100,945	8,179	-	109,124	378,667	386,846
Building-Cherlapally	60 yrs	4,651,498	-	-	4,651,498	455,124	77,715	-	532,838	4,118,660	4,196,374
Building-New Delhi	60 yrs	137,804,361	-	-	137,804,361	1,833,893	2,297,330	-	4,131,223	133,673,138	135,970,468
Building -Maheswaram	30 yrs	195,978,508	11,259,817	-	207,238,325	23,336,838	6,531,606	-	29,868,444	177,369,881	172,641,670
Computers	3 yrs	16,031,260	989,276	-	17,020,536	10,458,428	4,069,241	-	14,527,669	2,492,868	5,572,832
Plant and machinery	15 yrs	13,648,811	462,848	-	14,111,659	772,970	947,723	-	1,720,693	12,390,966	12,875,841
Office Equipment	5 yrs	16,973,993	5,406,742	14,900	22,365,835	11,436,431	2,642,540	304	14,078,668	8,287,168	5,537,562
Furniture, fixtures	10 yrs	8,981,566	884,761	-	9,866,327	2,152,366	1,365,916	-	3,518,282	6,348,044	6,829,201
Testing Equipment	10 yrs	611,970	264,499	-	876,469	11,880	74,589	-	86,469	790,000	600,090
Vehicles	8 yrs	15,267,964	7,466,168	1,112,455	21,621,677	9,075,696	1,835,673	583,890	10,327,479	11,294,199	6,192,268
		450,267,813	26,734,111	1,127,355	475,874,570	59,634,570	19,850,511	584,194	78,900,888	396,973,682	390,633,243
INTANGIBLE											
Computer software	100.00%	4,294,764	-	-	4,294,764	4,294,764	-	-	4,294,764	-	-
Computer software	33.33%	6,107,670	-	-	6,107,670	731,840	1,791,764	-	2,523,604	3,584,066	5,375,830
		460,670,247	26,734,111	1,127,355	486,277,004	64,661,175	21,642,275	584,194	85,719,256	400,557,747	396,009,073
Hyderabad Unit (Telangana) R&D Division TANGIBLE											
Land		5,150,020	-	-	5,150,020	-	-	-	-	5,150,020	5,150,020
Building - Sanathnagar	60 yrs	28,010,207	176,482	-	28,186,689	3,732,347	474,497	-	4,206,843	23,979,846	24,277,861
Shed -B42	60 yrs	-	514,008	-	514,008	-	4,142	-	4,142	509,866	-

NOTES ON FINANCIAL STATEMENTS

3.07 FIXED ASSETS

(in ₹)

Description	Life of Asset	Gross block				Accumulated depreciation				Net block	
		Opening Balance	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2015	As at 1 April 2014	Charge for the year	Sales/ Adjustments during the year	Total 31 March 2015	As at 31 March 2015	As at 31 March 2014
Computers	3 yrs	7,940,165	632,395	-	8,572,560	6,733,681	803,833	-	7,537,515	1,035,046	1,206,483
Plant and machinery	15 yrs	14,029,291	64,040	-	14,093,331	6,535,713	2,264,550	-	8,800,263	5,293,068	7,493,578
Office Equipment	5 yrs	5,781,208	171,822	-	5,953,030	5,730,167	49,537	-	5,779,704	173,326	51,041
Furniture, fixtures	10 yrs	4,017,875	8,826	-	4,026,701	2,070,237	1,282,172	-	3,352,409	674,292	1,947,638
Testing Equipment	10 yrs	4,727,475	14,431	-	4,741,906	1,321,607	631,105	-	1,952,712	2,789,194	3,405,868
Vehicles	8 yrs	818,169	-	-	818,169	544,295	91,458	-	635,753	182,416	273,874
		70,474,409	1,582,004	-	72,056,414	26,668,047	5,601,294	-	32,269,341	39,787,073	43,806,363
INTANGIBLE											
Computer software	100.00%	30,600,930	-	-	30,600,930	30,600,930	-	-	30,600,930	-	-
Computer software	33.33%	57,485,438	-	-	57,485,438	13,639,816	14,613,746	-	28,253,562	29,231,876	43,845,622
		158,560,777	1,582,004	-	160,142,782	70,908,793	20,215,040	-	91,123,833	69,018,949	87,651,985
Nalagarh Unit (Himachal Pradesh)											
Production Division											
TANGIBLE											
Computers	3yrs	1,751,938	-	-	1,751,938	1,704,827	47,111	-	1,751,938	-	47,111
Plant and machinery	15 yrs	3,122,715	197,989	-	3,320,704	961,621	241,213	-	1,202,834	2,117,870	2,161,094
Office Equipment	5 yrs	424,035	118,089	-	542,124	346,781	66,148	-	412,930	129,194	77,254
Furniture, fixtures	10 yrs	1,356,437	-	-	1,356,437	499,511	210,401	-	709,912	646,525	856,926
Testing Equipment	10 yrs	1,581,367	48,901	-	1,630,268	455,578	288,080	-	743,658	886,610	1,125,789
Vehicles	8 yrs	89,400	-	-	89,400	48,795	9,844	-	58,639	30,761	40,605
		8,325,892	364,979	-	8,690,871	4,017,114	862,797	-	4,879,911	3,810,960	4,308,778
INTANGIBLE											
Computer software	100.00%	594,501	-	-	594,501	594,501	-	-	594,501	-	-
		8,920,393	364,979	-	9,285,372	4,611,615	862,797	-	5,474,412	3,810,960	4,308,778
Total of Tangible Assets A		529,068,115	28,681,094	1,127,355	556,621,854	90,319,731	26,314,603	584,194	116,050,140	440,571,714	438,748,384
Total of Intangible Assets B		99,083,303	-	-	64,187,609	49,861,851	16,405,510	-	31,371,667	32,815,942	49,221,452
Total of (A+B)		628,151,418	28,681,094	1,127,355	620,809,463	140,181,582	42,720,112	584,194	147,421,807	473,387,656	487,969,836
Previous year		382,257,094	246,544,380	650,056	628,151,418	90,310,378	50,379,574	508,370	140,181,582	487,969,836	291,946,714



NOTES ON FINANCIAL STATEMENTS

(in ₹)

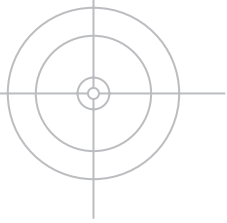
Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.08	NON-CURRENT INVESTMENTS		
	Long term at cost, unless otherwise specified		
	I. Other (Unquoted) - Non trade		
	Investments in equity instrument (fully paid-up) of Subsidiary		
	5,00,000 (previous year: 5,00,000) 5,00,000 Equity shares of Version 2 Games Limited, Wholly owned Subsidiary, face value of ₹ 1/- each	500,000	500,000
	Total Investments	500,000	500,000
3.09	LONG-TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	Capital advances	18,620,000	36,412,780
	Security deposits	8,887,687	8,398,049
	Other loans and advances		
	- Prepaid expenses	8,410,177	1,989,146
	- Deposits with government, public bodies and others	10,902,492	12,336,449
		46,820,356	59,136,424
3.10	OTHER NON-CURRENT ASSETS	Nil	Nil
	OTHER CURRENT ASSETS		
	Interest accrued on fixed deposits with banks and others	3,402,092	3,151,578
		3,402,092	3,151,578
3.11	INVENTORIES		
	Raw material (Ref Note 3.17)	26,676,200	57,131,861
	Finished Goods	-	-
	Work-in-progress (Ref Note 3.18)	117,802,500	35,650,000
	Stock-in-trade (Ref Note 3.18)	3,502,149	3,502,149
	Inventory others	2,192,000	2,192,000
		150,172,849	98,476,010

NOTES ON FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	Non-Current		Current	
		As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
3.12	TRADE RECEIVABLES				
	Outstanding for a period exceeding 6 months from the date they are due for payment				
	- Unsecured, considered good	19,487,669	31,318,090	-	-
	- Doubtful	7,110,797	10,765,113	-	-
		26,598,466	42,083,203	-	-
	Provision for doubtful receivables	(7,110,797)	(10,765,113)	-	-
	(A)	19,487,669	31,318,090	-	-
	Other receivables				
	- Unsecured, considered good	-	-	604,629,864	83,331,123
	(B)	-	-	604,629,864	83,331,123
	Total (A+B)	19,487,669	31,318,090	604,629,864	83,331,123

Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.13	CASH AND BANK BALANCES		
	Cash and cash equivalents		
	Balances with banks:		
	- On current accounts	3,613,634	67,449,114
	Cash on hand	808,332	662,600
	Other bank balances:		
	- Deposits with original maturity for > 3 months but < 12 months		
	Indian Bank	4,306,474	2,236,959
	- Balances with banks to the extent held as margin money for guarantees - Indian Bank	45,209,063	28,368,701
	- Balances with banks to the extent held as security against OD borrowings- Indian Bank	238,047,701	238,045,264
	- Balances with banks to the extent held as security against OD borrowings- HDFC Bank	10,000,000	10,000,000
	- Balances with banks to the extent held as security against OD borrowings - Corporation Bank	73,574,405	72,529,749
	Balances with banks for unpaid dividend	822,017	937,602
		376,381,625	420,229,989



NOTES ON FINANCIAL STATEMENTS

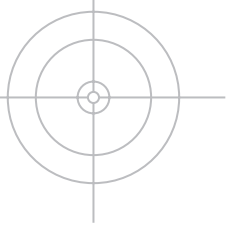
(in ₹)

Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.14	SHORT-TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	Advance to material suppliers	49,236,862	44,482,548
	Income tax refundable	29,429,564	24,888,062
	Advance income tax	4,408,581	4,418,073
	Other loans and advances		
	- Prepaid expenses	3,110,680	5,006,903
	- Balance with VAT, Central excise and Service tax	6,940,166	7,281,671
	- Loans and advances to employees	1,482,977	1,928,245
	- Others	2,556,280	365,940
		97,165,109	88,371,443

NOTES ON FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
3.15	REVENUE FROM OPERATIONS		
	a) Sale of Products	719,209,756	435,280,361
	Less: Excise duty	3,943,320	2,703,254
		715,266,436	432,577,107
	b) Sale of Services	70,211,001	30,947,852
		785,477,437	463,524,959
3.16	OTHER INCOME		
	Interest income	32,881,686	35,890,918
	Miscellaneous income	269,310	311
	Net gain/(loss) on foreign currency exchange fluctuation	-	(529,469)
	Profit/(Loss) on Sale of Vehicle	19,034	(1,948)
		33,170,030	35,359,812
3.17	COST OF MATERIALS AND COMPONENTS CONSUMED		
	Opening stock of raw materials	57,131,861	16,660,616
	Add : Purchases	295,097,501	166,195,335
		352,229,362	182,855,951
	Less : Closing stock	26,676,200	57,131,861
		325,553,162	125,724,090
	Note: As the items of raw material purchased and consumed are dissimilar in nature, type and numerous in quantity, it is not possible to give details under different heads as required under para 5(ii) and para 5(iii) of the general instructions for preparation of the Statement of Profit and Loss as per Schedule III of the Companies Act, 2013.		
3.18	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Opening work in progress	35,650,000	31,970,000
	Opening traded goods	3,502,149	3,502,149
		39,152,149	35,472,149
	Closing work in progress	117,802,500	35,650,000
	Closing traded goods	3,502,149	3,502,149
		121,304,649	39,152,149
	Net increase / (decrease) in stock	(82,152,500)	(3,680,000)
	Note: As the items of finished goods produced or under production are heterogeneous in nature, model, type and specification, it is not possible to give details under different heads as required under para 5(ii) and para 5(iii) of the general instructions for preparation of the Statement of Profit and Loss as per Schedule III of the Companies Act, 2013.		



NOTES ON FINANCIAL STATEMENTS

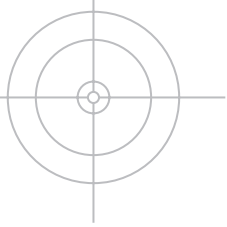
(in ₹)

Note No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
3.19	MANUFACTURING EXPENSES		
	Power and fuel	2,907,325	2,546,753
	Spares and Stores	1,124,335	2,080,900
	Freight	4,575,742	3,242,545
	Travel expenses - Production	433,567	355,146
	System Installation & Maintenance	925,790	622,503
	Salaries -Production	7,925,368	7,039,170
		17,892,127	15,887,017
3.20	EMPLOYEE BENEFIT EXPENSE		
	Salaries, wages and bonus	60,433,758	50,296,150
	Contribution to provident and other funds	2,535,098	1,875,499
	Gratuity expense	2,241,836	2,176,215
	Staff welfare expenses	6,823,419	5,768,762
		72,034,111	60,116,626
3.21	FINANCE COSTS		
	Bank Charges	502,061	1,315,628
	BG Commission	2,336,388	2,644,681
	Interest on borrowings		
	- Interest on bank OD loans	17,506,170	19,626,123
	- Interest on TDB loan	748,943	1,167,367
	-Interest on Vehicle loan	241,617	-
		21,335,179	24,753,799
3.22	OTHER EXPENSES	243,320,129	259,263,487
	Selling & Distribution expenses	30,450,227	28,012,730
	Business Promotion	3,830,276	3,697,604
	Club expenses	444,692	461,246
	Electricity Charges	26,510	19,050
	Exhibition expenses	15,807,962	14,572,641
	Freight	2,352,402	2,475,557
	Guest House Rent & Maintenance	1,626,688	869,616
	Hotel Boarding & Lodging	1,161,697	717,016
	Royalty	5,200,000	5,200,000
	Travelling expenses	27,312,386	28,996,427
	Domestic Travel	21,527,406	24,039,472
	Travel expenses - Delivery	980,492	533,163
	Travel expenses - Demo	1,300,464	1,100,170
	Travel expenses - Installation	1,894,092	758,229

NOTES ON FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
3.22	Travel expenses - Servicing	9,636,781	13,014,174
	Travel expenses - Directors	1,233,770	1,812,817
	Travel expenses - Marketing	5,133,481	4,276,289
	Travel expenses - General	1,348,326	2,544,630
	Foreign Travel	5,784,980	4,956,955
	Travel expenses - Directors	3,743,312	1,814,404
	Travel expenses - Others	2,041,668	3,142,551
	R & D Revenue expenses (Refer Note No. 3.26)	129,201,240	148,548,671
	Administrative & General expenses	56,356,277	53,705,659
	Advertisement	1,211,300	673,774
	AGM Expenses	53,469	26,202
	Annual Day Expenses	2,154,037	-
	Bad Debts	33,136	43,927
	Bad Debts Writtenback	(149,000)	
	Books & periodicals	28,049	55,508
	Conveyance	4,076,375	3,127,255
	Directors' sitting fees	480,000	480,000
	CSR Expenditure	511,600	-
	Donation	17,935	503,950
	Electricity Charges	289,226	157,204
	Listing Fee	340,000	25,000
	Insurance	1,241,363	1,039,779
	Membership & Subscription	2,485,925	2,305,605
	Office Maintenance	7,727,920	6,111,194
	Postage & Telephone	3,358,728	3,769,835
	Printing & Stationary	1,761,446	1,742,943
	Professional Charges	13,214,566	14,706,906
	Provision for Doubtful Debts/Advances	(3,654,316)	(171,612)
	Rates & Taxes	3,056,933	1,891,186
	Rent	8,596,351	6,861,992
	Security expenses	2,446,960	2,339,434
	Software Licence fee	2,904,231	2,756,875
	Vehicle Maintenance	2,941,833	2,392,702
	Computer Maintenance	639,016	1,310,273
	Professional charges-Buyback	-	1,150,847
	Payment to Auditors		
	As Auditors		
	For Statutory & Tax audit fee	240,000	205,000



NOTES ON FINANCIAL STATEMENTS

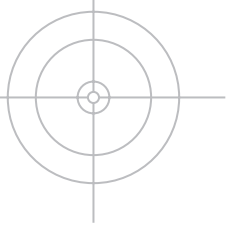
(in ₹)

Note No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
3.22	For Internal audit	180,000	150,000
	In other capacity		
	For Certification and Advisory in respect of Income tax, Company law etc.,	148,017	-
	For Certification of Cost compliance	-	36,000
	Out of pocket expenses	21,177	13,880
3.23	DEPRECIATION & AMORTISATION EXPENSE		
	Depreciation on total Tangible assets (Ref Note 3.07)	26,314,603	16,904,545
	Depreciation on total Intangible assets (Ref Note 3.07)	16,405,510	33,475,029
		42,720,112	50,379,574
	Less: Shown under R&D revenue expense (Refer Note No. 3.22)		
	- Depreciation on Tangible assets used in R&D activities (Ref Note 3.26)	5,601,294	2,366,757
	- Depreciation on Intangible assets used in R&D activities (Ref Note 3.26)	14,613,746	32,316,890
		22,505,073	15,695,927
3.24	TAX EXPENSES		
	Current tax (MAT)	40,768,430	190,519
		40,768,430	190,519
	Note: Tax expense comprises current and deferred tax. The current tax represents the Minimum Alternate Tax (MAT) payable by the company on the book profits for the year. Current tax expense is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and the tax rates and tax laws used to compute the tax amount are prevailing at the reporting date.		
3.25	EARNINGS PER SHARE (EPS)		
	Total operations for the year		
	Profit after tax (PAT)	157,391,756	933,306
	Weighted average number of equity shares	77,160,060	77,160,060
	Earnings per Share (Both Basic & Diluted)	2.04	0.01
	Note: Number of shares and per share information reflect the effect of sub-division (face value of ₹ 1/-each)		

NOTES ON FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
3.26	EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT		
	Salaries	61,071,476	50,524,987
	Bonus & Gratuity	7,010,793	3,697,633
	Electricity Charges	3,343,432	3,363,508
	Travelling expenses	2,701,235	2,640,217
	Spares & Stores	28,995,133	51,578,137
	Consultancy Fee	2,327,823	985,000
	Depreciation	20,215,040	34,683,647
	Interest on TDB Loan (UAV Sim)	1,750,000	843,836
	Exhibition Expns - UAV Sim	630,756	-
	Training charges	43,305	126,000
	Freight	70,000	105,706
	Rates & Taxes	848,400	-
	Repairs & Maintenance	193,847	-
		129,201,240	148,548,671
3.27	COMMITMENTS AND CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF		
	I. DISPUTED MATTERS		
	(a) Appeal filed by the Excise Department before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Bangalore against the decision of adjudication by Commissioner of Customs and Central Excise Hyderabad - II Commissionerate, in favour of the company pertaining to Excise matter in Order No:02/2006-C.Ex	5,171,356	5,171,356
	(b) Subsequent demands raised by the excise authority, pending decision of the case in (a) above, being disputed by the company	74,942,371	74,942,371
		80,113,727	80,113,727
	Note: The dispute in the matter (a) above was relating to inclusion of customized software in the valuation of simulators supplied by the Company during the period from F.Y. 2005-06 to 2010-11 (upto 31.07.2011). The matter was first adjudicated by the Commissioner of Customs and Central Excise Hyderabad - II Commissionerate and decided in favour of the Company. However, the Excise Department has filed an appeal before the Appellate Tribunal challenging the order passed by Commissioner of Customs and Central Excise. The Company, based on discussions with its solicitors and tax advisors, believes that there is a fair chance of winning the case in its favour in the appellate process and hence, no provision has been considered necessary against the same.		
	II GUARANTEES		
	(a) Bank Guarantees	452,090,630	283,687,010
		452,090,630	283,687,010



NOTES ON FINANCIAL STATEMENTS

(in ₹)

3.28 RELATED PARTY DISCLOSURE

Name of the Party	Relationship	Nature of Transaction	2014-15	2013-14
Related party disclosures as required by AS-18 are given below:				
a. Transactions during the year				
Mr Ashok Atluri Chairman and Managing Director	Key Management Personnel	Remuneration	4,138,921	3,423,781
Mr Ashok Atluri Chairman and Managing Director	Key Management Personnel	Commission	4,119,033	-
Mr Kishore Dutt Atluri President	Key Management Personnel (Brother of Mr Ashok Atluri)	Remuneration	2,637,946	2,338,325
Mr M Ravi Kumar Whole-Time Director	Key Management Personnel	Remuneration	3,371,110	3,093,790
b. Receivables				
Version 2 Games Limited	Wholly owned subsidiary	Debtors	95,136	95,136
Version 2 Games Limited	Wholly owned subsidiary	Investment	500,000	500,000

As per our Report of even date

For and on behalf of the Board

Gokhale & Co.,
Chartered Accountants
Firm Regn. No.: 000942S

Chandrashekhhar Gokhale
Partner
M.No: 23839

Place : Hyderabad
Date: 23 May 2015

Ashok Atluri
Chairman & Managing Director
(DIN: 00056050)

M Amala
Company Secretary
(M.No. FCS 7611)

M Ravi Kumar
Whole Time Director
(DIN: 00089921)

P V Krishna Mohan
Chief Financial Officer
(M.No. ACA 026455)

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members
Zen Technologies Limited
Hyderabad

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Zen Technologies Limited** (hereinafter referred to as "the Holding Company") and its subsidiary Version 2 Games Limited (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

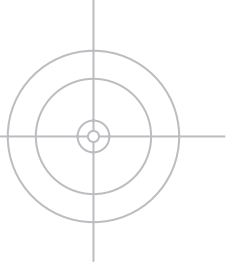
The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding



Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) *We did not audit the financial statements of the company's only subsidiary Version 2 Games Limited, whose financial statements reflect total assets of ₹ 11,804 as at 31 March, 2015, total revenues of ₹ 2,228 and net cash flows amounting to ₹ 85 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.*

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

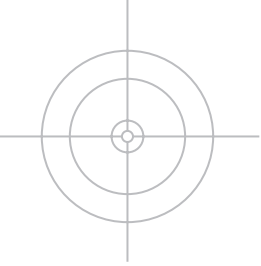
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order for the holding company and its subsidiary Version 2 Games Limited.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group did not have any pending litigations which would impact its consolidated financial position.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For Gokhale & Co
Chartered Accountants
Firm Regn. No 000942S

Place: Hyderabad
Date: 23 May 2015

Chandrashekhar Gokhale
Partner
Membership No 23839



Annexure

As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of Sub-section (11) of section 143 of the Companies Act, 2013 (18 of 2013) and on the basis of such checks, as we considered appropriate, we further report that:

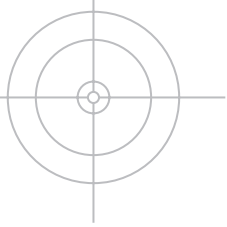
- (i) (a) The group is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management according to a phased programme designed to cover all assets on rotation basis. In respect of assets verified according to this programme, which is reasonable, no material discrepancies were noticed.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management;
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The group is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The group has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the group and the nature of its business, for the purchase of inventory, fixed assets and for the sale of its services.
- (v) The group has not accepted deposits from the public covered by the provisions of Sections 73 to 76 of the Companies Act.
- (vi) We have been informed that as per the Companies (Cost Records and Audit) Amendment Rules, 2014 the company is not required to maintain cost records.
- (vii) (a) The group has been regular in depositing its undisputed statutory dues including Provident Fund, ESI, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other statutory dues.
(b) As at the year end there were no dues of income tax, sales tax, wealth tax, service tax or duty of customs or duty of excise, value added tax or cess which have not been deposited on account of any dispute.
(c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The group had no accumulated losses and has not incurred cash losses during the financial year covered by our audit or in the preceding financial year.
- (ix) The group has not defaulted in repayment of dues to its Bank in respect of Loans taken by it. There were no dues payable to any financial institution/s.
- (x) The group has not given any guarantee for loans taken by others from bank or financial institutions.

- (xi) No term loans have been taken from Banks or Financial Institutions by the group during the year under audit. The group has taken term loan from Technology Development Board (TDB) and the same has been utilized for the intended purpose.
- (xii) On the basis of information and explanations given to us no fraud on or by the group has been noticed or reported during the year.

For Gokhale & Co
Chartered Accountants
Firm Regn. No 000942S

Place: Hyderabad
Date: 23 May 2015

Chandrashekhhar Gokhale
Partner
Membership No 023839



Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

1	Name of the subsidiary	Version 2 Games Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 April 2014 to 31 March 2015
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
4	Share capital	5,00,000 Equity Shares of ₹ 1/- each ₹ 5,00,000/-
5	Reserves & surplus	-6,05,805
6	Total assets	11,804
7	Total Liabilities	1,17,608
8	Investments	-
9	Turnover	2,228
10	Profit before taxation	-11,151
11	Provision for taxation	-
12	Profit after taxation	-11,151
13	Proposed Dividend	NIL
14	% of shareholding	100

For and on behalf of the Board

Ashok Atluri
Chairman & Managing Director
(DIN: 00056050)

M Ravi Kumar
Whole Time Director
(DIN: 00089921)

M Amala
Company Secretary
(M.No. FCS 7611)

P V Krishna Mohan
Chief Financial Officer
(M.No. ACA 026455)

Place: Hyderabad
Date: 23 May 2015

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

(in ₹)

Particulars	Note No.	As at 31 March	
		2015	2014
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3.01	77,160,060	77,160,060
(b) Reserves and surplus	3.02	1,032,731,762	907,855,605
		1,109,891,822	985,015,665
Non current liabilities			
(a) Long-term borrowings	3.03	40,679,159	44,399,836
(b) Long-term provisions	3.04	8,875,075	5,238,411
		49,554,234	49,638,247
Current liabilities			
(a) Short-term borrowings	3.03	348,242,456	124,765,246
(b) Trade payables	3.05	31,249,937	20,945,092
(c) Other current liabilities	3.06	162,267,461	92,674,884
(d) Short-term provisions	3.04	73,272,877	9,217,860
		615,032,731	247,603,082
TOTAL		1,774,478,787	1,282,256,994
ASSETS			
Non current assets			
(a) Fixed assets			
- Tangible assets	3.07	440,571,714	438,748,383
- Intangible assets		32,815,942	49,221,452
- Capital work-in-progress		3,114,900	10,355,919
(b) Long term loans and advances	3.08	46,820,356	59,136,424
		523,322,912	557,462,178
Current assets			
(a) Inventories	3.10	150,172,849	98,476,010
(b) Trade receivables	3.11	624,022,396	114,554,077
(c) Cash and bank balances	3.12	376,393,429	420,241,708
(d) Short-term loans and advances	3.13	97,165,109	88,371,443
(e) Other current assets	3.09	3,402,092	3,151,578
		1,251,155,875	724,794,816
TOTAL		1,774,478,787	1,282,256,994
Summary of significant accounting policies The accompanying notes are an integral part of financial statements	1&2		

As per our Report of even date

For and on behalf of the Board

Gokhale & Co.,
Chartered Accountants
Firm Regn. No.: 000942S

Chandrashekhar Gokhale
Partner
M.No: 23839

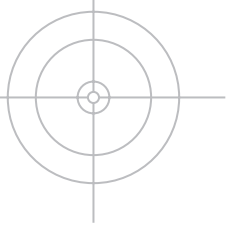
Place : Hyderabad
Date: 23 May 2015

Ashok Atluri
Chairman & Managing Director
(DIN: 00056050)

M Amala
Company Secretary
(M.No. FCS 7611)

M Ravi Kumar
Whole Time Director
(DIN: 00089921)

P V Krishna Mohan
Chief Financial Officer
(M.No. ACA 026455)



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

(in ₹)

Particulars	Note No.	For the Year ended 31 March	
		2015	2014
INCOME			
Revenue from operations	3.14	785,479,665	463,531,546
Other income	3.15	33,203,166	35,590,228
Total (A)		818,682,831	499,121,774
EXPENSES			
Cost of Materials and Components consumed	3.16	325,553,162	125,724,090
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	3.17	(82,152,500)	(3,680,000)
Manufacturing Expenses	3.18	17,892,127	15,887,017
Employee Benefits Expense	3.19	72,034,111	60,109,348
Other Expenses	3.21	243,364,501	259,384,607
Total (B)		576,691,401	457,425,062
Earning Before Interest, Tax, Depreciation and Amortization (EBITDA) (A-B)		241,991,430	41,696,712
Finance Costs	3.20	21,337,322	24,754,821
Depreciation and Amortization Expense	3.22	22,505,073	16,065,272
Profit/(Loss) before tax		198,149,035	876,619
Tax Expense	3.23		
Current tax		40,768,430	190,519
Total Tax Expenses		40,768,430	190,519
Profit/(Loss) for the year		157,380,605	686,101
Earnings per equity share of face value of ₹ 1/- each	3.24		
Basic -		2.04	0.09
Diluted -		2.04	0.09
Summary of significant accounting polices	1&2		
The accompanying notes are an integral part of the financial statements			

As per our Report of even date

For and on behalf of the Board

Gokhale & Co.,
Chartered Accountants
Firm Regn. No.: 000942S

Chandrashekhar Gokhale
Partner
M.No: 23839

Place : Hyderabad
Date: 23 May 2015

Ashok Atluri
Chairman & Managing Director
(DIN: 00056050)

M Amala
Company Secretary
(M.No. FCS 7611)

M Ravi Kumar
Whole Time Director
(DIN: 00089921)

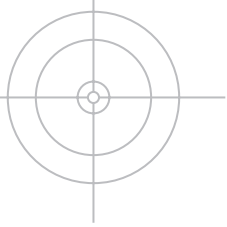
P V Krishna Mohan
Chief Financial Officer
(M.No. ACA 026455)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

Particulars	For the Year ended 31 March	
	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,981.49	8.77
Non-cash adjustments:		
Depreciation and amortisation expenses	427.20	507.49
Interest expense/Finance cost	213.37	247.55
Interest income	328.82	(355.88)
Profit on sale of asset	(0.19)	(0.02)
Operating profit before working capital changes	2,950.69	407.91
Changes in working capital:		
Increase/(decrease) in trade payables	103.05	73.93
Increase/(decrease) in other current liabilities	694.02	571.85
Increase/(decrease) in short term provisions	(92.17)	(13.74)
Increase/(decrease) in long term provisions	36.37	11.55
Decrease/(increase) in trade receivables	(5,094.68)	148.26
Decrease/(increase) in inventories	(516.97)	(463.43)
Decrease/(increase) in short term loans & advances	(42.52)	(26.26)
Decrease/(increase) in other current assets	(2.51)	63.12
Decrease/(increase) in other non-current assets	-	-
Cash generated from /(used in) operations	(1,964.72)	773.22
Receipt from sale of Vehicle	-	1.40
Direct tax payments (net of refunds)	(43.51)	217.86
Net cash flow from/(used in) operating activities (A)	-2,008.23	992.48
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/decrease in tangible and intangible fixed assets	(281.21)	(2,465.43)
(Increase)/decrease in captial work in progress	72.42	186.50
Interest received	(328.82)	355.88
(Increase)/decrease in long-term loans & advances	123.16	1,123.57
Net cash flow from/(used in) investing activities (B)	(414.45)	(799.49)





CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

(₹ in Lakhs)

Particulars	For the Year ended 31 March	
	2015	2014
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in long term borrowings	(37.21)	238.66
Increase/(decrease) in short term borrowings	2,234.77	220.64
Increase/(decrease) in Share Premium & Reserves	-	(774.49)
Interest paid	(213.37)	(247.55)
Dividend tax paid	-	(13.11)
Dividend paid on equity shares	-	(77.16)
Net cash flow from/(used in) in financing activities (C)	1,984.19	(653.02)
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(438.48)	(460.04)
Cash & cash equivalents at the beginning of the year	4,202.42	4,662.46
Cash & cash equivalents at the end of the year	3,763.93	4,202.42
Note:	1. Figures in brackets indicate cash outgo. 2. Previous year figures have been regrouped wherever necessary to conform to the current year's classification.	

As per our Report of even date

For and on behalf of the Board

Gokhale & Co.,
Chartered Accountants
Firm Regn. No.: 000942S

Chandrashekhhar Gokhale
Partner
M.No: 23839

Place : Hyderabad
Date: 23 May 2015

Ashok Atluri
Chairman & Managing Director
(DIN: 00056050)

M Amala
Company Secretary
(M.No. FCS 7611)

M Ravi Kumar
Whole Time Director
(DIN: 00089921)

P V Krishna Mohan
Chief Financial Officer
(M.No. ACA 026455)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

CORPORATE INFORMATION

Zen Technologies Limited is a public company incorporated under the provisions of the Companies Act, 1956 having corporate office at B-42, Industrial Estate, Sanathnagar, Hyderabad-500018, India. The Equity Shares of the Company are listed on BSE, Mumbai and National Stock Exchange of India Limited, Mumbai. The Company is engaged in design, development and manufacture of Training Simulators for Police and Para-military Forces, Armed Forces, Security Forces, Government Departments like Transport, Mining, Infrastructure and Civilian Market. The company caters to both domestic and international market. The Company is having two manufacturing units- 1) Hardware Park, Maheswaram Mandal, Telangana, India and 2) Nalagarh, Dist Solan, Himachal Pradesh, India.

The Company owns a 100% subsidiary, Version 2 Games Limited, India.

1 PRINCIPAL OF CONSOLIDATION

The consolidated financial statements present the accounts of the Company and wholly owned subsidiary Version 2 Games Limited India. The consolidation is based on the audited financial statements of Zen Technologies Limited and its subsidiary for the year ended 31 March 2015.

The consolidated financial statements are prepared in Indian rupees. The Indian rupee is the functional currency of Zen Technologies Limited and Version 2 Games Limited.

2 SIGNIFICANT ACCOUNTING POLICES

2.1 Basis of accounting and preparation of financial statements

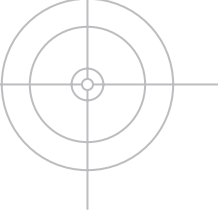
The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year unless otherwise stated.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.3 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above the cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.



Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished Goods includes Excise Duty and is determined on a weighted average basis.

2.4 Cash and cash equivalents

Cash and cash equivalent for the purposes of cash flow statement comprise cash at bank, cash in hand, demand deposits and other bank balances.

2.5 Cash flow statement

Cash flows are reported using the indirect method in accordance with 'Accounting Standard -3' issued under the Companies (Accounting Standards) Rules,2006, whereby profit /(loss) before the extraordinary items and tax, is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortization

The Company has revised its estimated useful life of tangible and intangible assets wherever appropriate with effect from 01.04.2014 based on the internal evaluations as per Schedule II to the Companies Act, 2013. The straight line method is being used to depreciate the assets. The carry forward amount as on 01.04.2014 is depreciated over the remaining useful life as a result of changes, the depreciation and amortization charge for the year ended 31.03.2015 is higher. The effect of those assets whose useful life had completed prior to 01-04-2014 amounting to ₹ 44.64 Lakhs has been charged to Profit & Loss account. The depreciation is not comparable with corresponding period(s).

The following useful lives have been used for providing the depreciation on the tangible & intangible fixed assets

Asset Description	Useful life of Asset
Buildings (Other than factory buildings)	60 years
Factory Buildings	30 years
Plant and Machinery	15 years
Office Equipment	5 years
Computers	3 years
Vehicles	8 years
Furniture & Fixtures	10 years
Testing Equipment	10 years
Software	33.33%

Amounts spent for capital work-in-progress including advance given for capital goods are grouped under capital work-in-progress.

2.7 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation. The cost of fixed assets includes interest on borrowings attributable to acquisition of fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Individual assets costing rupees five thousand or below are fully depreciated in the year of acquisition and put to use.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses.

2.8 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following recognition criteria is applied before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of goods. The Company collects sales tax and Value Added Tax (VAT) on behalf of the government and therefore, these are not economic benefits flowing to the Company, hence they are excluded from the revenue. Excise duty deducted from revenue (gross) is the amount that was included in the revenue (gross).

Excise duty

Excise duty has been accounted as and when goods are dispatched and no provision is made for the goods lying at the year end. This accounting treatment has been followed consistently and has no impact on the profitability of the company.

Sale of Services

Revenue from Annual Maintenance Contracts (AMC) is recognized on pro-rata basis over the period in which such services are rendered. The Company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from the revenue.

Interest on bank deposits

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of profit and loss.

2.9 Foreign currency transactions

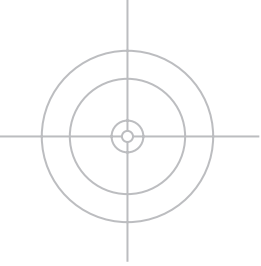
Expenses and income are recorded at the exchange rate prevailing on the date of transaction. Assets and liabilities on the date of the balance sheet are restated at the exchange rate prevailing on the balance sheet date. Exchange rate differences arising on settlement of the transaction and on account of restatement of assets and liabilities are dealt with in the statement of Profit and Loss.

2.10 Investments

Long-term investment held in equity share capital of wholly owned subsidiary company is carried at cost.

2.11 Employee Retirement and other benefits

The Company operates defined benefit plan of Group Gratuity for its employees. The Company has taken a Group Gratuity Scheme with Life Insurance Corporation of India. The premium payable under the scheme



is provided in the books on accrual basis. The present value of the defined benefit obligation and the related current service cost were measured using actuarial valuation carried out by an independent actuary consultant at each year end. Actuarial valuation is carried out using the projected unit credit method. Gratuity is calculated as per the Payment of Gratuity Act, 1972 on actual liability basis.

The Company does not have any scheme for leave encashment in place.

In respect of retirement benefits in the form of provident fund, the contribution payable by the company for the year is charged to the Statement of Profit and Loss. The Company has no obligation other than the contribution payable to the provident fund.

2.12 Earnings per share

Basic earnings per share are computed by dividing the net profit / (loss) after tax attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

2.13 Taxes on income

Minimum alternate tax (MAT) payable is charged to the Statement of Profit and Loss as current tax.

2.14 Provisions

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an out flow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

2.15 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an out flow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.16 Research and development costs

Revenue costs are expensed in the year in which they are incurred and the capital expenditure is added to fixed assets and are depreciated in accordance with depreciation policy of the Company.

2.17 Dividends

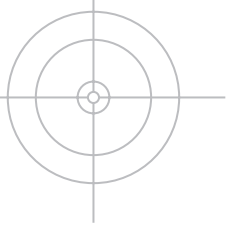
Provision made in the accounts for the dividends payable by the Company as recommended by the Board of Directors, pending approval of the shareholders at the Annual General Meeting. Income tax on dividends payable is provided for in the year to which such dividends relate.

2.18 Overdraft facilities from banks are secured by way of pledge of Fixed Deposits and the working capital facilities (₹ 15 Crore) from Indian bank are secured by equitable mortgage of immovable properties and other fixed assets pari-pasu charge with Technology Development Board (TDB)

- 2.19** The Company operates in one segment i.e., Training and simulation.
- 2.20** The Common expenses incurred at Head Office were allocated between Head Office and Himachal Pradesh unit based on Net turnover.
- 2.21** All Fixed deposits were kept with Scheduled banks only.
- 2.22** The unclaimed dividend amount for all the earlier financial year as on 31 March 2015 is ₹ 8,22,017/- details of which are given below:

Sl. No	Name of the Bank	Year of declaration of dividend	Unclaimed Amount (₹)
1	HDFC Bank	2007-08	1,25,703.00
2	HDFC Bank	2008-09	1,53,211.50
3	HDFC Bank	2009-10	1,55,281.50
4	HDFC Bank	2010-11	60,976.50
5	HDFC Bank	2011-12	2,25,036.50
6	HDFC Bank	2012-13	49,654.00
7	HDFC Bank	2013-14	52,154.00
	TOTAL		8,22,017.00

- 2.23** Receivables do not include any amount due and recoverable from directors or other officers of the Company, or Companies under the same management.
- 2.24** The balances of Sundry Debtors, Creditors and advances in various personal accounts are subject to reconciliation and conformation with the concerned parties.
- 2.25** There are no disclosures required to be made under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 as there are no outstanding amounts remaining unpaid at the end of the year.
- 2.26** In respect of Chits of Margadarsi Chit Fund, profit / loss on account of two chits will be accounted at the time of completion of chits.
- 2.27** Corporate Social Responsibility (CSR) amount is worked out to ₹ 30,05,500/- at 2% average of preceding 3 financial years profit/loss. Out of this, Company has already spent ₹ 5,11,600/- and the balance of ₹ 24,93,900/- will be spent.
- 2.28** None of the pending litigations have any impact on Company's financial position.
- 2.29** As per Cost Audit applicability, cost compliance is not applicable for FY 2014-15 as the Company is classified as small enterprise under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.



2.30 Directors Remuneration

(in ₹)

S. No	Particulars	2014-15	2013-14
1	Directors' Remuneration		
	Chairman and Managing Director		
	Salary, Perquisites & Allowances	41,38,921	34,23,781
	Commission	41,19,033	-
	Total	82,57,954	34,23,781
2	Other Director		
	Salary, Perquisites & Allowances	33,71,110	30,93,790
	Total	33,71,110	30,93,790

2.31 Foreign Currency Expenses

Particulars	2014-15	2013-14
Capital Goods	1,87,094	-
Raw Materials and Components		-
Stores and Spares	22,54,484	5,68,675
Foreign Travel (Exclusive of tickets purchased)	19,92,364	14,96,218
Software		5,74,85,438
Internet Charges		12,749
Membership	18,69,968	10,80,532
Professional charges	13,21,128	14,94,626
Exhibition Expenses	42,34,212	31,19,544
Others	59,48,032	17,35,733

2.32 The company measures EBITDA on the basis of profit/(loss) from continuing operations and the company does not include depreciation and amortization expense, finance costs and tax expense in the measurement of EBITDA.

2.33 Value of Imported and indigenous raw materials and components consumed.

(₹ in lakhs)

Particulars	2014-15		2013-14	
	Value	%	Value	%
Indigenous raw material and stores	2950.97	100	1251.55	99.55
Imported stores and components	-	-	5.69	0.45

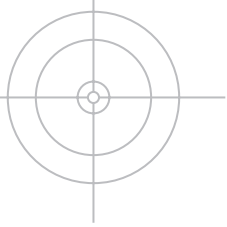
2.34 In the opinion of Board of Directors, the current assets, loans and advances are expected to realize approximately the value stated in the ordinary course of business.

As per our Report of even date	For and on behalf of the Board		
Gokhale & Co., Chartered Accountants Firm Regn. No.: 000942S	Ashok Atluri Chairman & Managing Director (DIN: 00056050)	M Ravi Kumar Whole Time Director (DIN: 00089921)	
Chandrashekhar Gokhale Partner M.No: 23839	M Amala Company Secretary (M.No. FCS 7611)	P V Krishna Mohan Chief Financial Officer (M.No. ACA 026455)	
Place : Hyderabad Date: 23 May 2015			

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	As at 31 March 2015		As at 31 March 2014	
3.01	SHARE CAPITAL				
	Authorised				
	20,00,00,000 (31 March 2014: 2,00,00,000) Equity shares of ₹ 1/- each	200,000,000		200,000,000	
		200,000,000		200,000,000	
	Issued, subscribed and paid-up				
	7,71,60,060 (31 March 2014: 77,16,006) Equity shares of ₹1/- each, fully paid-up	77,160,060		77,160,060	
	a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period (31 March 2014: Face Value of ₹ 10/- each)				
		31 March 2015		31 March 2014	
	Particulars	No of Shares	₹	No of Shares	₹
	At the beginning of the period	77,160,060	77,160,060	8,888,432	88,884,320
	Changes during the year (Buy back of Shares)	-	-	(1,172,426)	(11,724,260)
	Outstanding at the end of the period	77,160,060	77,160,060	7,716,006	77,160,060
	b. Terms/rights attached to equity shares				
	The Company has only one class of equity shares having a par value of ₹ 1/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
	During the year ended 31 March 2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 0.35 (previous year : ₹1.00)				
	c. Details of shareholder holding more than 5% shares in the Company of ₹ 1/- each fully paid (31 March 2014: Face Value of ₹ 10/- each)				
		As at 31 March 2015		As at 31 March 2014	
	Name of the share holder	No of Shares	%	No of Shares	%
	Ashok Atluri	25,402,900	32.92	2,540,290	32.92
	Kishore Dutt Atluri	12,329,600	15.98	1,232,960	15.98
	As per records of the Company, including its register of shareholders/members and the declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.				
	d. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:				
	Particulars	2014-15	2013-14	2012-13	2011-12
	No. of Equity Shares bought back by the company during the year	-	1,172,426	-	-
	Aggregate Number of Equity Shares bought back by the company	1,187,994	1,187,994	15,568	15,568



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

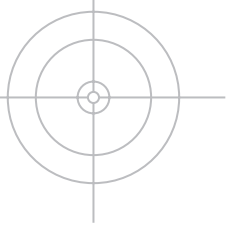
Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.02	RESERVES AND SURPLUS		
	Securities premium reserve (Share premium)		
	Balance as per the last Balance Sheet	89,185,359	158,304,880
	Less: 11,72,426 Shares bought back for a premium of ₹ 58.95	-	69,119,521
	Closing Balance	89,185,359	89,185,359
	General reserve		
	Balance as per the last Balance Sheet	336,097,550	346,478,189
	Less: Transfer to Capital Redemption reserve	-	11,724,260
	Add: Dividend & Dividend Tax Excess Provision Reversed	-	1,343,621
	Add: Transfer from P&L Accumulated account	13,902,450	-
	Closing Balance	350,000,000	336,097,550
	Capital Redemption reserve		
	Balance as per the last Balance Sheet	11,724,260	-
	Add: Transfer from General reserve	-	11,724,260
		11,724,260	11,724,260
	Surplus/(deficit) in the statement of profit and loss		
	Balance as per last Balance Sheet	470,848,435	479,189,677
	Add : Net Profit/(loss) for the current period	157,380,605	686,100
	Balance available for appropriation	628,229,040	479,875,777
	Less: Appropriation		
	Proposed Equity dividend (amount per share ₹ 0.35) (31 March 2014: ₹1.00)	27,006,021	7,716,006
	Tax on proposed equity dividend	5,498,426	1,311,335
	Transfer to General Reserve	13,902,450	-
	Total appropriations	46,406,897	9,027,341
	Net surplus in the statement of profit and loss	581,822,143	470,848,436
	Total Reserves and Surplus	1,032,731,762	907,855,605

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	Non-current portion		Current maturities	
		As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
3.03	LONG-TERM BORROWINGS				
	Secured				
	- Term Loan from TDB (Ref Note 1 & 2)	35,000,000	43,556,000	8,556,000	8,556,000
	- Vehicle loan	3,085,323	-	-	-
	- Interest accrued on TDB loan	2,593,836	843,836	-	1,348,630
		40,679,159	44,399,836	8,556,000	9,904,630
	Note: 1 The Loan taken from Technology Development Board (TDB), Ministry of Science and Technology, Govt. of India, was utilised as part-finance for design, development and commercialization of Zen Driving Training Simulator for Overseas market. The loan carries interest @5% p.a and is repayable in 9 half yearly installments commencing from 01-04-2012. The loan is secured by equitable mortgage of immovable properties and other fixed assets pari-passu charge with Indian Bank. The loan is also guaranteed by the company's own guarantee and pledging of 31,11,400 equity shares of ₹ 1/- each owned by the Managing Director of the company.				
	Note: 2 The Loan assistance granted from Technology Development Board (TDB), Ministry of Science and Technology, Govt. of India, for ₹ 1,160 lakhs (received during the financial year 2013-14 ₹ 350 lakhs as first installment towards implementation of the project) is being utilized for part financing the project "Development and Commercialization of Unmanned Aerial Vehicle Mission Simulator". The loan carries interest @ 5% (simple interest) per annum and is repayable in total nine half yearly installments commencing from 1 October 2015. The loan is secured by equitable mortgage of immovable properties and other fixed assets pari-passu with Indian Bank. The loan is also guaranteed by the Company's own guarantee and pledging of 1,50,00,000 equity shares of ₹ 1/- each owned by the Managing Director of the Company.				

Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.03	SHORT-TERM BORROWINGS		
	Secured		
	Loan repayable on demand		
	- 9.75% (PY 10.00%) OD I against Fixed Deposits from Indian Bank	116,476,491	84,596,954
	- 9.75% (PY 10.00%) OD II against Fixed Deposits from Indian Bank	90,820,070	40,118,161
	- 13.30% (PY 13.25%) against Indian Bank OCC account	63,613,311	50,131
	- 9.75% against Corporation OD account	63,056,682	-
	- NSIC Limited	14,275,902	-
		348,242,456	124,765,246
	Note : 1 The above mentioned overdraft facilities are secured by way of pledge of fixed deposits. Working Capital facilities (₹ 15 Crore) from Indian Bank are secured by equitable mortgage of immovable properties and other fixed assets pari-passu charge with Technology Development Board (TDB).		
	Note: 2 Against submission of Bank Guarantee NSIC sanctioned and disbursed Raw Material Assistance (RMA) loan with interest rate @ 12.95% per annum.		



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	Long-term		Short-term	
		As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
3.04	PROVISIONS				
	Provision for employee benefit				
	- Provision for gratuity (Ref Note)	8,375,075	4,738,411	-	-
	Other Provisions				
	- Proposed dividend	-	-	27,006,021	7,716,006
	- Tax on dividend	-	-	5,498,426	1,311,335
	- Provision for MAT	-	-	40,768,430	190,519
	- Provision for decline, other than temporary, in the value of long-term investments	500,000	500,000	-	-
		8,875,075	5,238,411	73,272,877	9,217,860
	Note: The Company operates Group Gratuity Scheme for its employees. Under the scheme of gratuity, every employee who has completed minimum 5 years of service gets gratuity on departure @15 days last month's drawn basic salary for each completed year of service. The gratuity scheme is funded with Life Insurance Corporation of India in the form of Group Gratuity Scheme (GGS). The provision is estimated by an independent consulting actuary as per requirements of (AS) 15 (Revised 2005) as prescribed under The Companies (Accounting Standard) Rules, 2006.				

Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.05	TRADE PAYABLES		
	Trade payables		
	- Dues to Micro and Small Enterprises	-	-
	- Others	31,249,937	20,945,092
		31,249,937	20,945,092

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

S.No	Particulars	Gratuity 2014-15
I	Change in Present value of obligation	
	PVO at beginning of the year	14,227,898
	Interest cost	1,293,043
	Current service cost	4,132,867
	Benefits paid	(315,573)
	Actuarial gain/(loss) on obligation	307,142
	PVO at the end of the period	19,645,377
II	Change in fair value of plan Assets	
	Fair value of plan Assets at beginning of period	9,489,487
	Expected return on plan Assets	894,005
	Contributions	1,203,381
	Benefits paid	(315,573)
	Actuarial gain/(loss) on plan assets	(998)
	Fair value of plan Assets at the end of period	11,270,302
III	Net status of Plan	8,375,075
IV	Net amount recognized	8,375,075

Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.06	OTHER CURRENT LIABILITIES		
	Current maturities of long-term borrowings (Note 3.03)	8,556,000	9,904,630
	Unclaimed dividends	822,017	937,602
	Employee salaries and benefits:		
	- Salaries and benefits	14,727,606	1,156,331
	- Bonus and incentives	8,182,282	7,333,006
	Other payables:		
	Provision for expenses	457,222	701,251
	Taxes payable:		
	- Service tax payable	1,068,129	645,309
	- Sales tax payable	31,083,693	1,078,885
	- TDS payable	2,492,367	768,938
	- Wealth Tax payable	85,000	60,000
	Advance from customers	94,793,145	70,088,931
		162,267,461	92,674,884

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

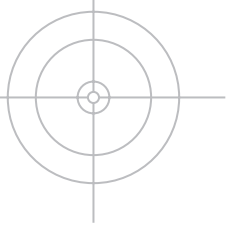
3.07 FIXED ASSETS

(in ₹)

Description	Life of Asset	Gross block			Accumulated depreciation			Net block			
		Opening Balance	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2015	As at 1 April 2014	Charge for the year	Sales/ Adjustments during the year	Total 31 March 2015	As at 31 March 2015	As at 31 March 2014
Hyderabad Unit (Telangana)											
Production Division											
TANGIBLE											
Land		39,830,091	-	-	39,830,091	-	-	-	-	39,830,091	39,830,091
Building - Chandralok	60 yrs	487,791	-	-	487,791	100,945	8,179	-	109,124	378,667	386,846
Building-Cherlapally	60 yrs	4,651,498	-	-	4,651,498	455,124	77,715	-	532,838	4,118,660	4,196,374
Building-New Delhi	60 yrs	137,804,361	-	-	137,804,361	1,833,893	2,297,330	-	4,131,223	133,673,138	135,970,468
Building - Maheswaram	30 yrs	195,978,508	11,259,817	-	207,238,325	23,336,838	6,531,606	-	29,868,444	177,369,881	172,641,670
Computers	3 yrs	16,031,260	989,276	-	17,020,536	10,458,428	4,069,241	-	14,527,669	2,492,868	5,572,832
Plant and machinery	15 yrs	13,648,811	462,848	-	14,111,659	772,970	947,723	-	1,720,693	12,390,966	12,875,841
Office Equipment	5 yrs	16,973,993	5,406,742	14,900	22,365,835	11,436,431	2,642,540	304	14,078,668	8,287,168	5,537,562
Furniture, fixtures	10 yrs	8,981,566	884,761	-	9,866,326	2,152,366	1,365,916	-	3,518,282	6,348,044	6,829,201
Testing Equipment	10 yrs	611,970	264,499	-	876,469	11,880	74,589	-	86,469	790,000	600,090
Vehicles	8 yrs	15,267,964	7,466,168	1,112,455	21,621,677	9,075,696	1,835,673	583,890	10,327,479	11,294,199	6,192,268
		450,267,813	26,734,110	1,127,355	475,874,569	59,634,570	19,850,511	584,194	78,900,888	396,973,681	390,633,243
INTANGIBLE											
Computer software	100.00%	4,294,764	-	-	4,294,764	4,294,764	-	-	4,294,764	-	-
Computer software	33.33%	6,107,670	-	-	6,107,670	731,840	1,791,764	-	2,523,604	3,584,066	5,375,830
		460,670,247	26,734,110	1,127,355	486,277,003	64,661,175	21,642,275	584,194	85,719,256	400,557,747	396,009,073
Hyderabad Unit (Telangana)											
R&D Division											
TANGIBLE											
Land		5,150,020	-	-	5,150,020	-	-	-	-	5,150,020	5,150,020
Building - Sanathnagar	60 yrs	28,010,207	176,482	-	28,186,689	3,732,347	474,497	-	4,206,843	23,979,846	24,277,861
Shed -B42	60 yrs	-	514,008	-	514,008	-	4,142	-	4,142	509,866	-
Computers	3 yrs	7,940,165	632,395	-	8,572,560	6,733,681	803,833	-	7,537,515	1,035,046	1,206,483
Plant and machinery	15 yrs	14,029,291	64,040	-	14,093,331	6,535,713	2,264,550	-	8,800,263	5,293,068	7,493,578
Office Equipment	5 yrs	5,781,208	171,822	-	5,953,030	5,730,167	49,537	-	5,779,704	173,326	51,041
Furniture, fixtures	10 yrs	4,017,875	8,826	-	4,026,701	2,070,237	1,282,172	-	3,352,409	674,292	1,947,638

(in ₹)

Description	Life of Asset	Gross block			Accumulated depreciation			Net block		
		Opening Balance	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2015	Charge for the year	Sales/ Adjustments during the year	Total 31 March 2015	As at 31 March 2015	As at 31 March 2014
Testing Equipment	10 yrs	4,727,475	14,431	-	4,741,906	631,105	-	1,952,712	2,789,194	3,405,868
Vehicles	8 yrs	818,169	-	-	818,169	91,458	-	635,753	182,416	273,874
INTANGIBLE		70,474,409	1,582,004	-	72,056,414	5,601,294	-	32,269,341	39,787,073	43,806,363
Computer software	100.00%	30,600,930	-	-	30,600,930	-	-	30,600,930	-	-
Computer software	33.33%	57,485,438	-	-	57,485,438	14,613,746	-	28,253,562	29,231,876	43,845,622
		158,560,777	1,582,004	-	160,142,782	20,215,040	-	91,123,833	69,018,949	87,651,985
Nalagarh Unit (Himachal Pradesh)										
Production Division										
TANGIBLE										
Computers	3yrs	1,751,938	-	-	1,751,938	47,111	-	1,751,938	-	47,111
Plant and machinery	15 yrs	3,122,715	197,989	-	3,320,704	241,213	-	1,202,834	2,117,870	2,161,094
Office Equipment	5 yrs	424,035	118,089	-	542,124	66,148	-	412,930	129,194	77,254
Furniture, fixtures	10 yrs	1,356,437	-	-	1,356,437	210,401	-	709,912	646,525	856,926
Testing Equipment	10 yrs	1,581,367	48,901	-	1,630,268	288,080	-	743,658	886,610	1,125,789
Vehicles	8 yrs	89,400	-	-	89,400	9,844	-	58,639	30,761	40,605
		8,325,892	364,979	-	8,690,871	862,797	-	4,879,911	3,810,960	4,308,778
INTANGIBLE										
Computer software	100.00%	594,501	-	-	594,501	-	-	594,501	-	-
		8,920,393	364,979	-	9,285,372	862,797	-	5,474,412	3,810,960	4,308,778
Version 2 Games Limited										
Total of Tangible Assets A		529,068,115	28,681,093	1,127,355	556,621,854	26,314,603	584,194	116,050,140	440,571,714	438,748,384
Total of Intangible Assets B		99,083,303	-	-	64,187,609	16,405,510	-	31,371,667	32,815,942	49,221,452
Total of (A+B)		628,151,418	28,681,093	1,127,355	620,809,463	42,720,112	584,194	147,421,807	473,387,656	487,969,836
Previous year		382,257,094	246,544,380	650,056	628,151,418	50,379,574	508,370	140,181,582	487,969,836	294,254,884



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.08	LONG-TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	Capital advances	18,620,000	36,412,780
	Security deposits	8,887,687	8,398,049
	Other loans and advances		
	- Prepaid expenses	8,410,177	1,989,146
	- Deposits with government, public bodies and others	10,902,492	12,336,449
		46,820,356	59,136,424

3.09	OTHER NON-CURRENT ASSETS	Nil	Nil
	OTHER CURRENT ASSETS		
	Interest accrued on fixed deposits with banks	3,402,092	3,151,578
		3,402,092	3,151,578

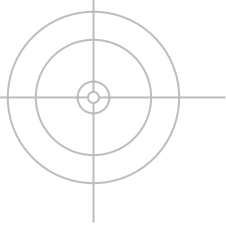
3.10	INVENTORIES		
	Raw material (Ref Note 3.16)	26,676,200	57,131,861
	Finished Goods	-	-
	Work in progress (Ref Note 3.17)	117,802,500	35,650,000
	Traded goods (Ref Note 3.17)	3,502,149	3,502,149
	Inventory Others	2,192,000	2,192,000
		150,172,849	98,476,010

Note No.	Particulars	Non-Current		Current	
		As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
3.11	TRADE RECEIVABLES				
	Outstanding for a period exceeding 6 months from the date they are due for payment				
	- Unsecured, considered good	19,392,532	31,222,954	-	-
	- Doubtful	7,110,797	10,765,113	-	-
		26,503,329	41,988,067	-	-
	Provision for doubtful receivables	(7,110,797)	(10,765,113)	-	-
	(A)	19,392,532	31,222,954	-	-
	Other receivables				
	- Unsecured, considered good	-	-	604,629,864	83,331,123
	(B)	-	-	604,629,864	83,331,123
	Total (A+B)	19,392,532	31,222,954	604,629,864	83,331,123

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	As at 31 March 2015	As at 31 March 2014
3.12	CASH AND BANK BALANCES		
	Cash and cash equivalents		
	Balances with banks:		
	- On current accounts	3,624,890	67,460,285
	Cash on hand	808,880	663,148
	Other bank balances:		
	- Deposits with original maturity for > 3 months but < 12 months Indian Bank	4,306,474	2,236,959
	- Balances with banks to the extent held as margin money for guarantees - Indian Bank	45,209,063	28,368,701
	- Balances with banks to the extent held as security against OD borrowings- Indian Bank	238,047,701	238,045,264
	- Balances with banks to the extent held as security against OD borrowings- HDFC Bank	10,000,000	10,000,000
	- Balances with banks to the extent held as security against OD borrowings - Corporation Bank	73,574,405	72,529,749
	Balances with banks for unpaid dividend	822,017	937,602
		376,393,429	420,241,708
3.13	SHORT-TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	Advance to material suppliers	49,236,862	44,482,548
	Income tax refundable	29,429,564	24,888,062
	Advance income tax	4,408,581	4,418,073
	Other loans and advances		
	- Prepaid expenses	3,110,680	5,006,903
	- Balance with VAT, Central excise and Service tax	6,940,166	7,281,671
	- Loans and advances to employees	1,482,977	1,928,245
	- Others	2,556,280	365,940
		97,165,109	88,371,443



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

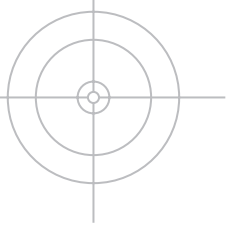
(in ₹)

Note No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
3.14	REVENUE FROM OPERATIONS		
	a) Sale of Products	719,211,984	435,286,948
	Less: Excise duty	3,943,320	2,703,254
		715,268,664	432,583,694
	b) Sale of Services	70,211,001	30,947,852
		785,479,665	463,531,546
3.15	OTHER INCOME		
	Interest income	32,881,686	35,890,918
	Provisions written back	-	217,538
	Miscellaneous income	302,446	13,189
	Net gain/(loss) on foreign currency exchange fluctuation	-	(529,469)
	Profit/(Loss) on Sale of Vehicle	19,034	(1,948)
		33,203,166	35,590,228
3.16	COST OF MATERIALS AND COMPONENTS CONSUMED		
	Opening stock of raw materials	57,131,861	16,660,616
	Add : Purchases	295,097,501	166,195,335
		352,229,362	182,855,951
	Less : Closing stock	26,676,200	57,131,861
		325,553,162	125,724,090
	Note: As the items of raw material purchased and consumed are dissimilar in nature, type and numerous in quantity, it is not possible to give details under different heads as required under para 5(ii) and para 5(iii) of the general instructions for preparation of the Statement of Profit and Loss as per Schedule III of the Companies Act, 2013.		
3.17	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Opening work in progress	35,650,000	31,970,000
	Opening traded goods	3,502,149	3,502,149
		39,152,149	35,472,149
	Closing work in progress	117,802,500	35,650,000
	Closing traded goods	3,502,149	3,502,149
		121,304,649	39,152,149
	Net increase / (decrease) in stock	(82,152,500)	(3,680,000)
	Note: As the items of finished goods produced or under production are heterogeneous in nature, model, type and specification, it is not possible to give details under different heads as required under para 5(ii) and para 5(iii) of the general instructions for preparation of the Statement of Profit and Loss as per Schedule III of the Companies Act, 2013.		

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
3.18	MANUFACTURING EXPENSES		
	Power and fuel	2,907,325	2,546,753
	Spares and Stores	1,124,335	2,080,900
	Freight	4,575,742	3,242,545
	Travel expenses - Production	433,567	355,146
	System Installation & Maintenance	925,790	622,503
	Salaries -Production	7,925,368	7,039,170
		17,892,127	15,887,017
3.19	EMPLOYEE BENEFIT EXPENSES		
	Salaries, wages and bonus	60,433,758	50,288,872
	Contribution to provident and other funds	2,535,098	1,875,499
	Gratuity expense	2,241,836	2,176,215
	Staff welfare expenses	6,823,419	5,768,762
		72,034,111	60,109,348
3.20	FINANCE COSTS		
	Bank Charges	504,204	1,316,650
	BG Commission	2,336,388	2,644,681
	Interest on borrowings		
	- Interest on bank OD loans	17,506,170	19,626,123
	- Interest on TDB loan	748,943	1,167,367
	- Interest on Vehicle loan	241,617	-
		21,337,322	24,754,821
3.21	OTHER EXPENSES	243,364,501	259,384,607
	Selling & Distribution expenses	30,450,227	28,012,730
	Business Promotion	3,830,276	3,697,604
	Club expenses	444,692	461,246
	Electricity Charges	26,510	19,050
	Exhibition expenses	15,807,962	14,572,641
	Freight	2,352,402	2,475,557
	Guest House Rent & Maintenance	1,626,688	869,616
	Hotel Boarding & Lodging	1,161,697	717,016
	Royalty	5,200,000	5,200,000
	Travelling expenses	27,312,386	29,033,520
	Domestic Travel	21,527,406	24,076,565
	Travel expenses - Delivery	980,492	533,163
	Travel expenses - Demo	1,300,464	1,100,170
	Travel expenses - Installation	1,894,092	758,229
	Travel expenses - Servicing	9,636,781	13,014,174



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

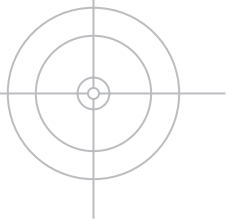
Note No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
	Travel expenses - Directors	1,233,770	1,812,817
	Travel expenses - Marketing	5,133,481	4,276,289
	Travel expenses - General	1,348,326	2,581,723
	Foreign Travel	5,784,980	4,956,955
	Travel expenses - Directors	3,743,312	1,814,404
	Travel expenses - Others	2,041,668	3,142,551
	R & D Revenue expenses (Refer Note No. 3.25)	129,201,240	148,548,671
	Administrative & General expenses	56,400,649	53,789,686
	Advertisement	1,211,300	673,774
	AGM Expenses	53,469	26,202
	Annual Day Expenses	2,154,037	-
	Bad Debts	33,136	43,927
	Bad Debts Written back	(149,000)	-
	Books & periodicals	28,049	55,508
	Conveyance	4,076,375	3,127,255
	Directors' sitting fees	480,000	480,000
	Donation CSR	511,600	-
	Donation Others	17,935	503,950
	Electricity Charges	289,226	157,204
	Listing Fee	340,000	25,000
	Insurance	1,241,363	1,039,779
	Membership & Subscription	2,485,925	2,305,605
	Office Maintenance	7,728,220	6,141,294
	Postage & Telephone	3,358,728	3,769,835
	Printing & Stationary	1,761,446	1,742,943
	Professional Charges	13,243,802	14,727,906
	Provision for doubtful Debts/Advances	(3,654,316)	(171,612)
	Rates & Taxes	3,060,533	1,891,291
	Rent	8,596,351	6,883,578
	Security expenses	2,446,960	2,339,434
	Software Licence fee	2,904,231	2,756,875
	Vehicle Maintenance	2,941,833	2,392,702
	Computer Maintenance	639,016	1,310,273
	Professional charges-Buyback	-	1,150,847
	Payment to Auditors		
	As Auditors		
	For Statutory & Tax audit fee	251,236	216,236
	For Internal audit	180,000	150,000
	In other capacity		
	For Certification and Advisory in respect of Income tax, Company law etc.,	148,017	-
	For Certification of Cost compliance	-	36,000
	Out of pocket expenses	21,177	13,880

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
3.22	DEPRECIATION & AMORTISATION EXPENSE		
	Depreciation on total Tangible assets (Ref Note 3.07)	26,314,603	17,273,890
	Depreciation on total Intangible assets (Ref Note 3.07)	16,405,510	33,475,029
		42,720,112	50,748,919
	Less: Shown under R&D revenue expense (Refer Note No. 3.21)		
	- Depreciation on Tangible assets used in R&D activities (Ref Note 3.25)	5,601,294	2,366,757
	- Depreciation on Intangible assets used in R&D activities (Ref Note 3.25)	14,613,746	32,316,890
		22,505,073	16,065,272
3.23	TAX EXPENSES		
	Current tax (MAT)	40,768,430	190,519
		40,768,430	190,519
	Note: Tax expense comprises current and deferred tax. The current tax represents the Minimum Alternate Tax (MAT) payable by the company on the book profits for the year. Current tax expense is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and the tax rates and tax laws used to compute the tax amount are prevailing at the reporting date.		
3.24	EARNINGS PER SHARE (EPS)		
	Total operations for the year		
	Profit after tax (PAT)	157,380,605	686,101
	Weighted average number of equity shares	77,160,060	7,716,0060
	Earnings per Share (Both Basic & Diluted)	2.04	0.01
	Note: Number of shares and per share information reflect the effect of sub-division (face value of ₹ 1/-each)		
3.25	EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT		
	Salaries	61,071,476	50,524,987
	Bonus & Gratuity	7,010,793	3,697,633
	Electricity Charges	3,343,432	3,363,508
	Travelling expenses	2,701,235	2,640,217
	Spares & Stores	28,995,133	51,578,137
	Consultancy Fee	2,327,823	985,000
	Depreciation	20,215,040	34,683,647
	Interest on TDB Loan (UAV Sim)	1,750,000	843,836
	Exhibition Expenses - UAV Sim	630,756	-
	Training charges	43,305	126,000
	Freight	70,000	105,706
	Rates & Taxes	848,400	-
	Repairs & Maintenance	193,847	-
		129,201,240	148,548,671





NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

Note No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
3.26	COMMITMENTS AND CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF		
	I. DISPUTED MATTERS		
	(a) Appeal filed by the Excise Department before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Bangalore against the decision of adjudication by Commissioner of Customs and Central Excise Hyderabad - II Commissionerate, in favour of the company pertaining to Excise matter in Order No:02/2006-C.Ex	5,171,356	5,171,356
	(b) Subsequent demands raised by the excise authority, pending decision of the case in (a) above, being disputed by the company	74,942,371	74,942,371
		80,113,727	80,113,727
	Note: The dispute in the matter (a) above was relating to inclusion of customized software in the valuation of simulators supplied by the Company during the period from F.Y. 2005-06 to 2010-11 (up to 31.07.2011). The matter was first adjudicated by the Commissioner of Customs and Central Excise Hyderabad - II Commissionerate and decided in favour of the Company. However, the Excise Department has filed an appeal before the Appellate Tribunal challenging the order passed by Commissioner of Customs and Central Excise. The Company, based on discussions with its solicitors and tax advisors, believes that there is a fair chance of winning the case in its favour in the appellate process and hence, no provision has been considered necessary against the same.		
	II GUARANTEES		
	(a) Bank Guarantees	452,090,630	283,687,010
		452,090,630	283,687,010

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

(in ₹)

RELATED PARTY DISCLOSURE

Name of the Party	Relationship	Nature of Transaction	2014-15	2013-14
Related party disclosures as required by AS-18 are given below:				
a. Transactions during the year				
Mr. Ashok Atluri Chairman and Managing Director	Key Management Personnel	Remuneration	4,138,921	3,423,781
Mr. Ashok Atluri Chairman and Managing Director	Key Management Personnel	Commission	4,119,033	-
Mr. Kishore Dutt Atluri President	Key Management Personnel (Brother of Mr Ashok Atluri)	Remuneration	2,637,946	2,338,325
Mr. M Ravi Kumar Whole-Time Director	Key Management Personnel	Remuneration	3,371,110	3,093,790
b. Receivables				
Version 2 Games Limited	Wholly owned subsidiary	Debtors	95,136	95,136
Version 2 Games Limited	Wholly owned subsidiary	Investment	500,000	500,000

As per our Report of even date	For and on behalf of the Board	
Gokhale & Co., Chartered Accountants Firm Regn. No.: 000942S	Ashok Atluri Chairman & Managing Director (DIN: 00056050)	M Ravi Kumar Whole Time Director (DIN: 00089921)
Chandrashekhhar Gokhale Partner M.No: 23839	M Amala Company Secretary (M.No. FCS 7611)	P V Krishna Mohan Chief Financial Officer (M.No. ACA 026455)
Place : Hyderabad Date: 23 May 2015		

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM

To
ZEN TECHNOLOGIES LIMITED
 B-42, Industrial Estate,
 Sanathnagar,
 Hyderabad - 500 018.

For Shares held in physical mode
 Please complete this form and send it to
 Karvy Computershare Private Limited
Unit : Zen Technologies Limited
Karvy Selenium Tower B, Plot No 31& 32
Gachibowli, Financial District, Nanakramguda
Serilingampally Mandal, Hyderabad- 500032
Phone: +91 -40- 67161605
Fax: +91 -40 23001153
Email id: einward.ris@karvy.com

For Shares held in Demat mode
 Please inform your DP's directly.

For Shares held in physical mode form

Master Folio No.

	FOR OFFICE USE ONLY
ECS Ref. No.	<input style="width: 100%; height: 40px;" type="text"/>

Name of First holder	<input style="width: 100%; height: 30px;" type="text"/>										
Bank Name	<input style="width: 100%; height: 30px;" type="text"/>										
Branch Name & Address	<input style="width: 100%; height: 40px;" type="text"/>										
Branch Code	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td><td><input type="text"/></td> </tr> </table> <p style="font-size: small;">(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank) (In lieu of the bank certificate to be obtained as under, please attach a blank cancelled cheque or photocopy of a cheque or front page of your savings bank passbook issued by your bank for verification of the above particulars)</p>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		

Account type (Please tick)	<input type="checkbox"/> Savings <input type="text" value="10"/> <input type="text"/>	<input type="checkbox"/> Current <input type="text" value="11"/> <input type="text"/>	<input type="checkbox"/> Cash Credit <input type="text" value="13"/> <input type="text"/>
A/c.No. (as appearing on the cheque book)	<input style="width: 100%; height: 25px;" type="text"/>		
Active date of this Mandate	<input style="width: 100%; height: 25px;" type="text"/>		

I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Zen Technologies Limited and Karvy Computershare Private Limited, will not be held responsible. I have read the optional invitation letter and agree to discharge the responsibility expected of me as a participant under the scheme.

I further undertake to inform the Company any change in my Bank/ Branch and Account number.

Dated: _____ (Signature of First holder)

Note: *On Dematerialisation of existing physical shares, for which you have availed ECS facility, the above form needs to be re-submitted.*

Certified that the particulars furnished above are correct as per our records

Bank's Stamp

Date: _____ (Signature of the Official of the Bank)

Payment of Dividend through Electronic Clearing Service (ECS)

The Securities Exchange Board of India (SEBI) has advised the Companies to mandatorily use ECS facility wherever available for distributing dividends or other cash benefits, etc., to the investors. This facility provides instant credit of dividend amount to your Bank Account electronically at no extra cost. ECS also eliminates the delay in postal transit and fraudulent encashment of warrants. Only individual transactions upto ₹ 5,00,000/- would be covered under the Scheme.

Under this facility the amount of dividend payable to you would be directly credited to your bank account. Your bank's branch will credit your account and indicate the credit entry as 'ECS' in your pass book/statement account. We would be issuing an advice to you directly after the transaction is effected.

In case you wish to have your dividends paid through ECS and are holding the Company's shares in electronic form you may kindly fill in the enclosed ECS mandate Form and submit it to your Depository Participant. However, in case you are holding the company shares in physical form and wish to have your future dividends paid through ECS you may kindly return the said ECS mandate form duly completed and signed by you at our Registered Office address mentioned elsewhere in this report.

If you do not wish to opt for ECS facility, we strongly recommend that you provide the details of your Bank's Name, Bank's Branch, type of Account and Account Number to your depository participant, in cases where shares are held in electronic form and to us in cases where shares are held in physical form for printing the same on the dividend warrants which will be dispatched to you. In the event of any change or correction in the details that might have been provided by you earlier, kindly send revised particulars to your depository participants or to us as the case may be at an early date.

We request you to kindly submit the ECS / Bank details latest by Friday the 18 September 2015 to enable us to include the same for the payment of the current year's dividend.



ZEN TECHNOLOGIES LIMITED

CIN: L72200TG1993PLC015939

Name of the Company: Zen Technologies Limited

Registered Office: B-42, Industrial Estate, Sanathnagar, Hyderabad – 500018, Telangana, India

PROXY FORM

Name of the Member(s):	
Registered address:	
Email ID:	
Folio No. / Client ID:	
DP ID:	

I/We, being the member (s) having shares of the above named Company, hereby appoint:-

1.	Name:	E-mail id:
	Address:	
	Signature:	
or failing him/her		
2.	Name:	E-mail id:
	Address:	
	Signature:	
or failing him/her		
3.	Name:	E-mail id:
	Address:	
	Signature:	

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Saturday the 26 September 2015 at 9.30 a.m. at its Registered Office and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote*	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 March 2015 including Audited Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Board of Directors' and Auditors' thereon.		
2	To declare Dividend for the financial year ended 31 March 2015		
3	To appoint a Director in place of Mr Ashok Atluri (DIN: 00056050), who retires by rotation and being eligible offers himself for reappointment.		
4	To ratify appointment of M/s Gokhale & Co., Chartered Accountants, Hyderabad (ICAI Firm Registration Number: 000942S) as Statutory Auditors of the Company.		
Special Business			
5	To appoint Mr Venkat Samir Kumar Oruganti (DIN: 06699271) as an Independent Director		
6	Revision in the remuneration payable to Mr Kishore Dutt Atluri, President of the Company, relative of Chairman and Managing Director, holding office or place of profit		

Signed this day of 2015.

Affix
Revenue
Stamp

Signature of Member Signature of Proxy holder(s)

Notes:

1. The proxy duly stamped, completed, signed should be deposited at the Registered Office of the Company, not less than 48 (Forty Eight) hours before commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- *4. It is optional to indicate your preference. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



ZEN TECHNOLOGIES LIMITED

CIN: L72200TG1993PLC015939

Name of the Company: Zen Technologies Limited

Registered Office: B-42, Industrial Estate, Sanathnagar, Hyderabad – 500018, Telangana, India

ATTENDANCE SLIP

22nd Annual General Meeting

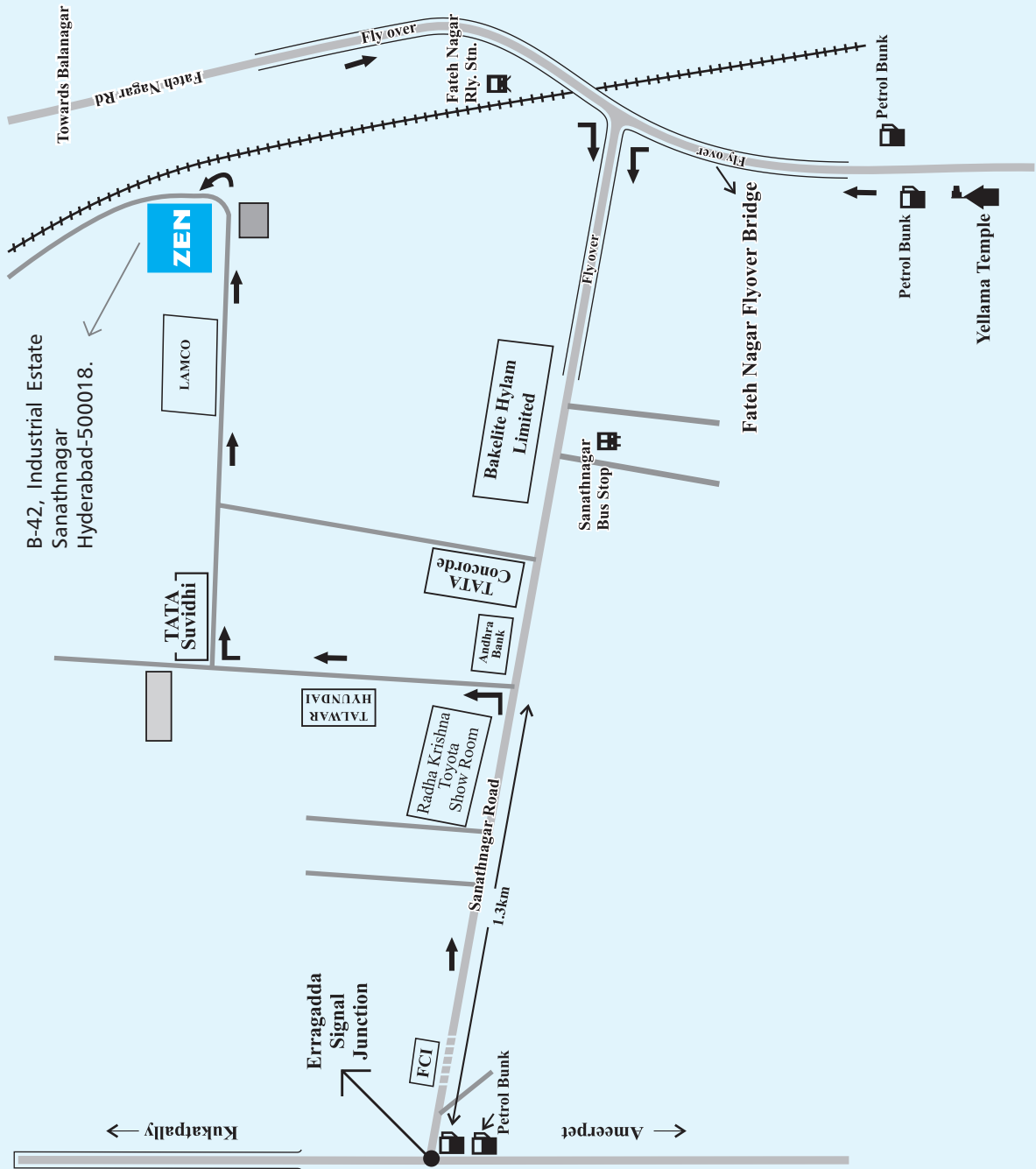
to be held on Saturday the 26 September 2015 at 9.30 a.m.

I hereby record my presence at the 22nd Annual General Meeting of the Company being held on Saturday the 26 September 2015 at 9.30 a.m. at its Registered Office.

Name of the Shareholder:	
Name of the Proxy:	
Registered Folio no. /DP ID no. / Client ID no. :	
Number of Equity Shares held:	
Signature of Shareholder / Proxy :	

Note: Please fill up this attendance slip and hand it over at the entrance of the venue. Members are requested to bring their copies of the Annual Report to the AGM.

ROAD MAP



www.zentechnologies.com

If undelivered, Please return to:



ZEN TECHNOLOGIES LIMITED

Registered Office: B-42, Industrial Estate Sanathnagar

Hyderabad-500018, Telangana, INDIA

CIN : L72200TG1993PLC015939