



ZEN TECHNOLOGIES LIMITED

Certified CMMI Dev/5, AS9100C, ISMS 27001, EMS 14001
Regd. Office : B-42, Industrial Estate, Sanathnagar
Hyderabad – 500 018, Telangana, India
Phone: +91 40 23813281, 23811205, 23811206
Fax No: +91 40 23813694, 23814894
Email: info@zentechnologies.com Website: www.zen.in
Corporate Identity Number : L72200TG1993PLC015939

Date: 27 August 2018

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

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

Dear Sir/Madam,

Sub: Intimation of revision in Credit Rating for bank facilities

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

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that CARE Ratings Limited has reviewed the ratings assigned for bank facilities vide the their letter dated 22 August 2018 received by the Company on 27 August 2018:

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating action
Long-term Bank Facilities	40	CARE BBB-; Stable (Triple B Minus; Outlook-Stable)	Revised from CARE BBB; Stable (Triple B; Outlook-Stable)
Short-term Bank Facilities	10	CARE A3 (A Three)	Revised from CARE A3+ (A Three Plus)
Long-term/Short-term Bank Facilities	57	CARE BBB-; Stable/CARE A3 (Triple B Minus; Outlook-Stable / A Three)	Revised from CARE BBB; Stable/CARE A3+ (Triple B; Outlook-Stable / A Three Plus)
Total Facilities	107		

Reasons provided by the Rating Agency for revision of rating:

The revision in the ratings assigned to the bank facilities of Zen Technologies Limited (ZTL) is on account subdued financial performance of the Company in Q1FY19 (refers to period from April 01 to June 30) due to lower order execution coupled with higher overheads resulting in losses reported by the company both at operating and net level. The ratings, however, continue to draw comfort from long industry experience of the promoters and management team, strong product portfolio, approved vendors for procurement of parts, renowned clientele with established relationships, medium term revenue visibility in the form of annual maintenance contracts (AMC), comfortable capital structure and satisfactory debt coverage indicators.

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



CMMIDEV/5
Exp. 2018-11-26 / Appraisal #25686





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Management Comments:

The Company is executing the order book as per plan and delivery is scheduled from Q2 2018-19 onwards and hence negligible product revenue was booked in Q1 2018-19. Q1 performance was also adversely impacted due to INDAS 115 Accounting Standard due to which part of the revenues could not be booked. Q1 also had a large expense due to participation in exhibition. All these led to a small reported loss in Q1. However, on back of strong and growing order book, the Company expects to end the year 2018-19 with good profitability as the delivery is expected to commence as per schedule. The Company continues to have a strong balance sheet with comfortable debt coverage.

This is for your information.

Thanking you,
For Zen Technologies Limited

M Satish Choudhury
Company Secretary

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