

Zen Technologies Limited

August 18, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	-	-	Reaffirmed at CARE BBB-; Stable (Triple B Minus; Outlook: Stable), removed from INC* and withdrawn
Short-term Bank Facilities	-	-	Reaffirmed at A3 (A Three), removed from INC* and withdrawn
Long-term/Short-term Bank Facilities	-	-	Reaffirmed at CARE BBB-; Stable (Triple B Minus; Outlook: Stable)/CARE A3 (A Three), removed from INC* and withdrawn
Total Facilities	-		

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has reaffirmed while removing the ratings from INC category and subsequently withdrawn the outstanding ratings of 'CARE BBB-; Stable/CARE A3' [Triple B Minus; Outlook: Stable/ A Three] assigned to the bank facilities of Zen Technologies Limited with immediate effect. The above action has been taken at the request of Zen Technologies Limited and 'No Objection Certificate' received from the banks that have extended the facilities rated by CARE

Analytical approach: Not Applicable

Applicable Criteria:

[Policy of withdrawal of rating](#)

About the Company

Zen Technologies Limited (ZTL), incorporated in 1993, is one of the key players in developing weapons training simulators in the country. The company has been promoted by Mr Ashok Atluri (CMD) and is listed on BSE. ZTL is engaged in designing, developing and manufacturing of training simulators for Indian Defense Services, Paramilitary Forces, Indian Navy, State and Central Police Forces and the State Transport Authorities.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (Published)
Total operating income	93.94	148.82
PBILDT	24.27	65.49
PAT	19.24	60.5
Overall gearing (times)	0.30	0.03
Interest coverage (times)	5.07	20.59

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

*Issuer did not cooperate; Based on best available information

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Non-fund-based - ST-Letter of credit	-	-	-	0.00	Withdrawn
Non-fund-based - LT/ ST-Bank Guarantees	-	-	-	0.00	Withdrawn
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BBB-; Stable; ISSUER NOT COOPERATING* (27-Jul-20)	1)CARE BBB; Stable (25-Jun-19)	1)CARE BBB-; Stable (26-Dec-18) 2)CARE BBB-; Stable (24-Aug-18)	1)CARE BBB; Stable (26-Mar-18)
2.	Non-fund-based - ST-Letter of credit	ST	-	-	1)CARE A3; ISSUER NOT COOPERATING* (27-Jul-20)	1)CARE A3+ (25-Jun-19)	1)CARE A3 (26-Dec-18) 2)CARE A3; Stable (24-Aug-18)	1)CARE A3+ (26-Mar-18)
3.	Non-fund-based - LT/ ST-Bank Guarantees	LT/ST	-	-	1)CARE BBB-; Stable / CARE A3; ISSUER NOT COOPERATING* (27-Jul-20)	1)CARE BBB; Stable / CARE A3+ (25-Jun-19)	1)CARE BBB-; Stable / CARE A3 (26-Dec-18) 2)CARE BBB-; Stable / CARE A3 (24-Aug-18)	1)CARE BBB; Stable / CARE A3+ (26-Mar-18)
4.	Fund-based - LT-Term Loan	LT	-	-	1)CARE BBB-; Stable; ISSUER NOT COOPERATING* (27-Jul-20)	1)CARE BBB; Stable (25-Jun-19)	1)CARE BBB-; Stable (26-Dec-18) 2)CARE BBB-; Stable (24-Aug-18)	1)CARE BBB; Stable (26-Mar-18)

Annexure-3: Detailed explanation of covenants of the rated facilities: Not Applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Non-fund-based - LT/ ST-Bank Guarantees	Simple
4.	Non-fund-based - ST-Letter of credit	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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