



Press Release

Zen Technologies Limited

April 07, 2022

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities – Fund Based – Term Loan	10.26	IVR BB (ISSUER NOT COOPERATING*) (IVR Double B; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from IVR BB+ (IVR Double B Plus)	Simple
Long Term Bank Facilities – Fund Based – Cash Credit	30.00	IVR BB (ISSUER NOT COOPERATING*) (IVR Double B; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from IVR BB+ (IVR Double B Plus)	Simple
Long Term / Short Term Bank Facilities – Non Fund Based – Bank Guarantee	72.00	IVR BB / IVR A4 (ISSUER NOT COOPERATING*) (IVR Double B / IVR A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from IVR BB+ / IVR A4+ (IVR Double B Plus / IVR A Four Plus)	Simple
Short Term Bank Facilities – Non Fund Based – Letter of Credit	15.00	IVR A4 (ISSUER NOT COOPERATING*) (IVR A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from IVR A4+ (IVR A Four Plus)	Simple
Total	127.26 (Rupees One Twenty Seven Crore and Twenty Six Lakhs Only)			

* Issuer did not cooperate; Based on best available information



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Details of Facilities are in Annexure 1

Detailed Rationale

The rating has been moved to issuer not cooperating because of lack of adequate information regarding performance of Zen Technologies Limited and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lender, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company, despite the rating revision.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data, results to monitor its assigned rating to the bank facilities, vide E-mail communications dated March 21, 2022, March 22, 2022 and March 23, 2022 concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics must assign the rating based on the best available information. Accordingly, the ratings for the bank loan facilities of Zen Technologies Limited aggregating to Rs.127.26 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB; Issuer Not Co-operating*; Based on best available information and IVR A4; Issuer Not Co-operating*; Based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what Constitute Non-Cooperation by Client](#)



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[Rating Methodology – Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

About the Company

Incorporated in 1993, Zen Technologies Limited designs, develops and manufactures combat training simulator/solutions for the training of defence and security forces. Zen Technologies is headquartered in Hyderabad, India with offices in India and USA. Zen Technologies Limited is an ISO 9001:2015 (QMS), ISO 14001:2015 (EMS), ISO/IEC 27001:2013 (ISMS) and CMMI Maturity Level 5 company. Zen Technologies is publicly listed on Bombay Stock Exchange and the National Stock exchange.

Financials (Standalone)*:

	(Rs. Crore)	
For the year ended / As on	31-Mar-2020 (Audited)	31-Mar-2021 (Audited)
Total Operating Income	146.98	49.57
EBITDA	63.59	7.75
PAT	60.51	4.10
Total Debt	0.88	0.85
Tangible Net worth	178.40	192.47
EBITDA Margin (%)	43.27	15.64
PAT Margin (%)	41.17	8.26
Overall Gearing Ratio (times)	0.00	0.00

**Classification as per Infomerics standards*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Instrument / Facilities	Current Ratings (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
					16-Feb-2021	10-Dec-2019	
1.	Fund Based – Term Loan	Long Term	10.26	IVR BB / Issuer not cooperating*	IVR BB+ / Issuer not cooperating*	IVR BBB+ / Stable Outlook	–
2.	Fund Based – Cash Credit	Long Term	30.00	IVR BB / Issuer not cooperating*	IVR BB+ / Issuer not cooperating*	IVR BBB+ / Stable Outlook	–
3.	Non Fund Based – Bank Guarantee	Long Term / Short Term	72.00	IVR BB / IVR A4; Issuer not cooperating*	IVR BB+ / IVR A4+ Issuer not cooperating*	IVR BBB+ / Stable Outlook / IVR A2	–
4.	Non Fund Based – Letter of Credit	Short Term	15.00	IVR A4 / Issuer not cooperating*	IVR A4+ / Issuer not cooperating*	IVR A2	–

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine-tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Fund Based – Term Loan	–	–	Mar – 2022	10.26	IVR BB (ISSUER NOT COOPERATING*) (IVR Double B; ISSUER NOT COOPERATING*)
Long Term Bank Facilities – Fund Based – Cash Credit	–	–	–	30.00	IVR BB (ISSUER NOT COOPERATING*) (IVR Double B; ISSUER NOT COOPERATING*)
Long Term / Short Term Bank Facilities – Non Fund Based – Bank Guarantee	–	–	–	72.00	IVR BB / IVR A4 (ISSUER NOT COOPERATING*) (IVR Double B / IVR A Four; ISSUER NOT COOPERATING*)
Short Term Bank Facilities – Non Fund Based – Letter of Credit	–	–	–	15.00	IVR A4 (ISSUER NOT COOPERATING*) (IVR A Four; ISSUER NOT COOPERATING*)

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Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Zen-Technologies-apr22.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.