

To The Board of Directors of Zensar (Africa) Holdings (Pty) Ltd

**Report on special purpose consolidated financial statements**

1. We have audited the accompanying special purpose financial statements of Zensar (Africa) Holdings (Pty) Ltd (the "Company") and its subsidiaries; hereinafter referred to as the Group, which comprise the consolidated balance sheet as at March 31, 2015, and the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

**Management's Responsibility for the Special Purpose Consolidated Financial Statements**

2. Management is responsible for the preparation of these special purpose consolidated financial statements in accordance with the Accounting Standard issued by Institute of Chartered Accountants of India / Companies (Accounting Standards) Rules, 2006 notified by the Central Government of India/ notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, to the extent considered relevant by it for the purpose for which these special purpose financial statements have been prepared (the "accounting principles generally accepted in India"). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Scope**

3. The scope of our audit was restricted by the overall materiality level of INR 500,000, as communicated by Group Engagement Team.

**Auditors' Responsibility**

4. Our responsibility is to express an opinion on these special purpose consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose consolidated financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

7. Because of the restriction described in the 'Scope' paragraph above, the scope of our work was not sufficient to enable us to express, and we do not express, an unrestricted opinion on this consolidated financial statement. However, in our opinion, based on our audit performed within the limits of materiality referred to in paragraph 3 above, we report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
8. Based on our audit performed within the limits of materiality referred in paragraph 4 above and on consideration of reports of other auditor on separate financial statements and on the other financial information of the component of the Group as referred to in paragraph 10 below, and to the best of our information and according to the explanations given to us, in our opinion, the aforesaid special purpose consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Group as at March 31, 2015 and its consolidated profit and its consolidated cash flows for the year ended on that date.

## Emphasis of Matter – Basis of Preparation

9. We draw attention to Note 1(a) to the special purpose consolidated financial statements, which describes the basis of its preparation. The special purpose consolidated financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose consolidated financial statements for the purposes for which those have been prepared. Our opinion is not qualified in respect of this matter.

## Other Matter

10. This report is intended solely for the information and use of the Board of Directors of the Company for the purpose of complying with the provisions of Section 136(1) of the Companies Act 2013 and is not intended to be and should not be used by any other party for any other purpose.

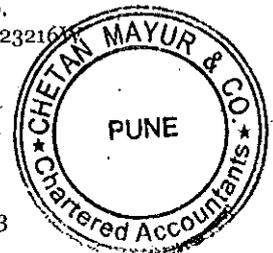
## Restriction on Use

11. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
12. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 10 above. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Price Waterhouse neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

Place: Pune  
Date: April 28, 2015

For Chetan Mayur & Co.  
Firm Registration No. 12321678  
Chartered Accountants

  
Partner  
Membership No. 104273



**Zensar (Africa) Holdings (Pty) Ltd**

**CONSOLIDATED BALANCE SHEET as at 31st March 2015**

	Note No.	2015 Rs. In lakhs	2014 Rs. In lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	60.50	60.50
Reserves and Surplus	3	233.56	283.26
		<u>294.06</u>	<u>343.76</u>
<b>MINORITY INTEREST</b>		<b>125.36</b>	<b>109.87</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables	4	115.91	4.20
Other Current Liabilities	5	11.77	0.24
		<u>127.68</u>	<u>4.44</u>
<b>TOTAL</b>		<b><u>547.10</u></b>	<b><u>458.07</u></b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Trade receivables	6	25.52	-
Cash and Bank Balances	7	484.70	453.10
Short-term Loans and Advances	8	2.90	0.26
Other Current Assets	9	33.98	4.71
		<u>547.10</u>	<u>458.07</u>
<b>TOTAL</b>		<b><u>547.10</u></b>	<b><u>458.07</u></b>
Summary of significant accounting policies	1		

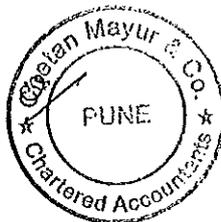
The accompanying notes (2 to 13) are an integral part of the financial statements

This is the Consolidated Balance Sheet referred to in our report of even date.

For and on behalf of **Chetan Mayur & Co.**  
Firm Registration No. 123216W  
Chartered Accountants



**Chetan Shroff**  
Partner  
Membership No. 104273



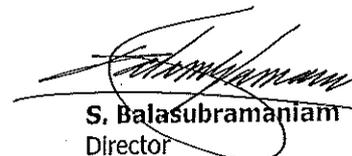
Place : Pune  
Date : April 28, 2015

For and on behalf of the Board



**Dr. Ganesh Natarajan**  
Director

Place : Pune  
Date : April 28, 2015



**S. Balasubramaniam**  
Director

Zensar (Africa) Holdings (Pty) Ltd

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the Year ended on 31st March, 2015

	Note No.	2015 Rs. in lakhs	2014 Rs. in lakhs
<b>INCOME</b>			
Software development and allied services		193.50	4.73
Other Income	10	24.27	2.52
		<u>217.77</u>	<u>7.25</u>
<b>EXPENDITURE</b>			
Other Expenses	11	201.28	6.26
Finance Cost	12	0.60	0.07
		<u>201.88</u>	<u>6.32</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>15.89</b>	<b>0.92</b>
Provision for Taxation - Current Tax		4.66	0.24
<b>Profit/(Loss) after Taxation carried forward to Balance Sheet</b>		<b>11.23</b>	<b>0.68</b>

The accompanying notes (2 to 13) are an integral part of the financial statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For and on behalf of **Chetan Mayur & Co.**  
Firm Registration No. 123216W  
Chartered Accountants



**Chetan Shroff**  
Partner  
Membership No. 104273



Place : Pune  
Date : April 28, 2015

For and on behalf of the Board



**Dr. Ganesh Natarajan**  
Director



**S. Balasubramaniam**  
Director

Place : Pune  
Date : April 28, 2015

Zensar (Africa) Holdings (Pty) Ltd

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the Year ended on 31st March, 2015

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For and on behalf of **Chetan Mayur & Co.**  
Firm Registration No. 123216W  
Chartered Accountants

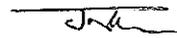


**Chetan Shroff**  
Partner  
Membership No. 104273



Place : Pune  
Date : April 28, 2015

For and on behalf of the Board



**Dr. Ganesh Natarajan**  
Director

Place : Pune  
Date : April 28, 2015,



**S. Balasubramaniam**  
Director

**Zensar (Africa) Holdings (Pty) Ltd**  
**Notes to the Consolidated Financial Statement for the year ended 31st March, 2015**

**1. Significant Accounting Policies**

**Company Overview**

Zensar (Africa) Holdings (Pty) Ltd and its subsidiary, Zensar(South Africa) (Pty) Ltd are companies registered under the laws of South Africa. Zensar (Africa) Holdings (Pty) Ltd is the Holding Company and Zensar (South Africa) (Pty) Ltd is primarily engaged in providing a complete range of IT Services and Solutions. The Company's Industry expertise spans across Manufacturing, Retail, Media, Banking, Insurance, Healthcare and Utilities.

**(a) Basis of preparation of financial statements**

i. The consolidated financial statements of Zensar (Africa) Holdings (Pty) Ltd and its subsidiary are prepared under historical cost convention as a going concern on accrual basis and to comply in all material aspects with all the applicable accounting principles in India, the applicable Accounting Standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

ii. The consolidated financial statements are prepared in Indian Rupees. However, the functional currency for the Company is ZAR. The translation of the functional currencies into the reporting currency is performed for assets and liabilities using the current exchange rates in effect at the Balance Sheet date, for revenues, costs and expenses using average exchange rates prevailing during the reporting periods and for share capital, using the exchange rate at the date of the transaction. The resultant translation exchange gain/loss has been disclosed as Currency Translation Reserve.

iii. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycles as 12 months for the purpose of current -non current classification of assets and liabilities

**(b) Use of estimates**

The preparation of consolidated financial statements in conformity with Indian GAAP, requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

**(c) Revenue Recognition**

Revenues from software development and allied services consist of revenues earned from time and material and fixed price contracts. Revenue from time and material contracts are recognised as the related services are performed. Revenues from fixed price engagements are recognized using the percentage-of-completion method of accounting. The Company recognizes revenue based on the completed-contract method where the work to complete cannot be reasonably estimated. The cumulative impact of any revision in estimates of the percent complete is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated. Amounts included in the financial statements, which relate to recoverable costs and accrued profits not yet billed on contracts, are classified in current assets as "Accrued Income" (Unbilled Services). Billings on incomplete contracts in excess of accrued costs and accrued profits are classified in current liabilities. Revenue from the sale of user licences for software applications is recognised on transfer of the title in the user licence.

**Zensar (Africa) Holdings (Pty) Ltd**

**Notes to the Consolidated Financial Statement for the year ended 31st March, 2015**

**(d) Foreign Currency Transactions**

i) Realised gains and losses on foreign currency revenue transactions are recognised in the Statement of Profit and Loss.

ii) Monetary current assets and monetary liabilities denominated in foreign currency at the year-end are translated at the year-end exchange rates, and the resulting exchange difference is recognised in the Statement of Profit and Loss.

**(e) Taxation**

**Current Tax**

Provision for current tax is made and retained in the Accounts on the basis of estimated tax liability as per the applicable provisions.

**(f) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates. A disclosure for a contingent liability is made where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

**(g) Financial Instruments**

The Company earlier adopted Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" issued by Institute of Chartered Accountants of India, along with the consequent limited revisions to other accounting standards, except so far as they are in conflict with other mandatory accounting standards and other regulatory requirements.

**Zensar (Africa) Holdings (Pty) Ltd**  
**Notes to the Consolidated Financial Statement for the year ended 31st March, 2015**

	<u>2015</u>	<u>2014</u>
	Rs. in lakhs	Rs. in lakhs
<b>2. SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
1000 Ordinary Shares of No Par Value		
<b>Issued and Subscribed and fully paid-up Shares</b>		
100 Ordinary Shares of No Par Value	60.50	60.50
	<u>60.50</u>	<u>60.50</u>

**(i) Reconciliation of the number of shares outstanding as at 31st March 2014 and 31st March 2015**

	<u>2015</u>		<u>2014</u>	
	Nos	Rs. in lakhs	Nos	Rs. in lakhs
Value of Shares at the Beginning of the year	100	60.50	-	-
Add: Shares issued during the year	-	0.00	100	60.50
Value of Shares outstanding at the end of the year	<u>100</u>	<u>60.50</u>	<u>100</u>	<u>60.50</u>

**(ii) Terms / Rights attached to Ordinary Shares**

The Company has only One class of Ordinary Shares. Each Holder of shares is entitled to one vote per share.

In the event of liquidation of company, the holders of Ordinary shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the value of ordinary shares held by the shareholders.

**(iii) Details of Shareholders holding more than 5% shares in the Company**

	<u>2015</u>		<u>2014</u>	
	Numbers	% held	Numbers	% held
Zensar Technologies Limited, Holding Company	100	100%	100	100%

**3. RESERVES AND SURPLUS**

**Cumulative Translation Adjustment Reserve**

Balance brought forward	(10.21)	-
Foreign Currency Translation Reserve for the year	(45.44)	(12.85)
Less: Adjustments towards Minority Interest	(2.64)	2.64
	<u>(58.29)</u>	<u>(10.21)</u>

**Capital Reserves**

BEE SPE Capital - Excess at Par	<u>292.96</u>	<u>292.96</u>
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**Surplus / (deficit) in Statement of Profit and Loss**

Balance brought forward from previous year	0.51	-
Add : Profit after Taxation transferred from Statement of Profit and Loss	11.23	0.68
Less: Appropriations towards Minority Interest	12.85	0.17
	<u>233.56</u>	<u>283.26</u>

Zensar (Africa) Holdings (Pty) Ltd  
Notes to the Consolidated Financial Statement for the year ended 31st March, 2015

	2015 Rs. in lakhs	2014 Rs. in lakhs
<b>CURRENT LIABILITIES</b>		
<b>4. Trade payables</b>		
Dues to micro and small enterprises		
Dues to other than micro and small enterprises	115.91	4.20
	<u>115.91</u>	<u>4.20</u>
<b>5. Other Current Liabilities</b>		
Accrued Salaries and Benefits	-	-
Withholding and other taxes	1.51	0.24
Other Payables	10.26	
	<u>11.77</u>	<u>0.24</u>
<b>CURRENT ASSETS</b>		
<b>6. Trade Receivables</b>		
Debts outstanding for a period exceeding six months from the date they are due for payment:		
Considered good	-	-
Considered doubtful	-	-
<b>Other Debts</b>		
Considered good	25.52	-
	<u>25.52</u>	<u>-</u>
<b>7. Cash and Bank Balances</b>		
Balance with Banks :		
On Current Account	228.25	170.00
Fixed Deposits	256.45	283.10
	<u>484.70</u>	<u>453.10</u>
<b>8. Short-term Loans and Advances</b>		
Others	2.90	0.26
	<u>2.90</u>	<u>0.26</u>
<b>9. Other Current Assets</b>		
Accrued Income (Unbilled Services)	33.98	4.71
	<u>33.98</u>	<u>4.71</u>
<b>10. Other Income</b>		
Interest Income :		
-on deposits with banks	24.27	2.52
	<u>24.27</u>	<u>2.52</u>
<b>11. Other Expenses</b>		
Cost of manpower hired	174.78	4.21
Legal and Professional Charges	14.78	2.05
Miscellaneous Expenses	10.38	-
Bad Debts Written off	1.34	-
	<u>201.28</u>	<u>6.26</u>
<b>12. Finance Cost</b>		
Bank Charges	0.60	0.07
	<u>0.60</u>	<u>0.07</u>

Zensar (Africa) Holdings (Pty) Ltd  
Notes to the Consolidated Financial Statement for the year ended 31st March, 2015

**13. Related Party Disclosures**

**List of Related Parties (as identified and certified by the Management)**

**(i) Parties where control exists**

Holding corporation:

Zensar Technologies Limited, India

**(ii) Key Management Personnel:**

Dr. Ganesh Natarajan

Mr. S. Balasubramaniam

**Transactions with Related Parties**

Rs in lakhs

Description of the nature	Volume of transactions during		Amount Outstanding as on 31st March	
	2014-15	2013-14	2015	2014
			Payable	Payable
<b>A. Receipt of Software Services</b>				
(i) Zensar Technologies Limited	173.40	4.21	114.50	4.19
<b>Total of Software Services received</b>	<b>173.40</b>	<b>4.21</b>	<b>114.50</b>	<b>4.19</b>
<b>B. Reimbursement of Expenses Incurred</b>				
(i) Zensar Technologies Limited	1.41	-	1.41	-
<b>Total Reimbursement of expenses incurred</b>	<b>1.41</b>	<b>-</b>	<b>1.41</b>	<b>-</b>

For Chetan Mayur & Co.

Firm Registration Number: 123216W

Chartered Accountants

*Chetan Shroff*

**Chetan Shroff**

Partner

Membership No. 104273



For and on behalf of the Board

*Dr. Ganesh Natarajan*

**Dr. Ganesh Natarajan**

Director

*S. Balasubramaniam*

**S. Balasubramaniam**

Director

Place : Pune

Date : April 28, 2015

Place : Pune

Date : April 28, 2015

## Consolidated Cash Flow Statement for Year Ended March 31, 2015

A.	2014-15		2013-14	
<b>Cash Flow from Operating Activities :</b>				
Net Profit before Taxation and Prior period expenses		15.89		0.92
Adjustments for Depreciation Interest Expense				
<b>Operating Profit before Working Capital Changes</b>		<b>15.89</b>		<b>0.92</b>
Adjustments for Increase / (Decrease) In trade payables (Increase) / Decrease In trade receivables (Increase) / Decrease In other current assets Increase / (Decrease) In other current liabilities (Increase) / Decrease In loans and advances	83.58 (31.71) (37.52) 8.91 0.26		(1.68) (11.31) - (0.63)	
<b>Cash generated from Operations</b>		<b>23.52</b>		<b>(13.63)</b>
Taxes (Paid) / Received	(7.80)	<b>39.41</b>		<b>(12.70)</b>
<b>Net Cash from Operating activities ( A )</b>		<b>(7.80)</b>		
		<b>31.61</b>		<b>(12.70)</b>
<b>B. Cash Flow from Investing Activities</b>				
Investment In Subsidiary				
<b>Net Cash from Investing Activities ( B )</b>				
<b>C. Cash Flow from Financing Activities</b>				
Share capital Inflow Capital Inflow from Clusten In Subsidiary			60.50 405.30	
<b>Net Cash from Financing Activities ( C )</b>				<b>465.80</b>
<b>D. Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)</b>		<b>31.61</b>		<b>453.10</b>
Opening Balance of Cash & Cash Equivalents		453.10		
Closing Balance of Cash & Cash Equivalents		484.70		453.10

## Notes :

1 The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS) - 3 on Cash Flow Statement.

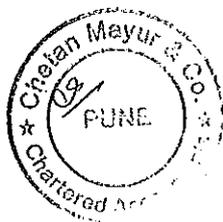
Notes as per Schedule 13 and other schedules form an integral part of the Cash Flow Statement.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For Chetan Mayur & Co.  
Firm Registration Number: 123216W  
Chartered Accountants

Chetan Shroff  
Partner  
Membership No. 104273

Place : Pune  
Date : April 28, 2015



For and on behalf of the Board

Dr. Ganesh Natarajan  
Director

S. Balasubramaniam  
Director

Place : Pune  
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