

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Zensar (Africa) Holdings (Pty) Ltd

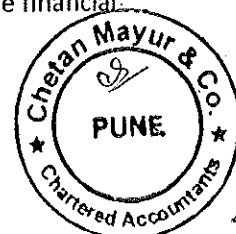
1. We have audited the accompanying standalone financial statements of Zensar (Africa) Holdings (Pty) Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility

2. 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 to 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

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. 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

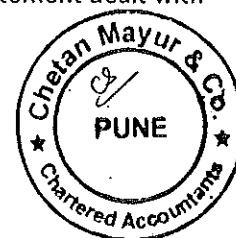
8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted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

Emphasis of Matter

9. We draw attention to Note 1(a)(iv) of the Notes to the Financial Statements indicating that the Company has as at the year end, accumulated losses amounting to Rs. 606.87 lakhs resulting in erosion of net worth. The Company has prepared its financial statement on going concern basis based on continued financial support of its holding company. Therefore, the financial statements do not include any adjustment relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

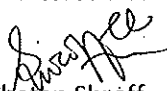
Report on Other Legal and Regulatory Requirements

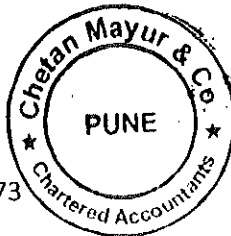
10. This report does not contain a statement on the matters specified in paragraphs 3 and 4 of 'the Companies (Auditor's Report) Order, 2015' issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act as, in our opinion, and according to the information and explanations given to us, the Order is not applicable in the case of the Company.
11. 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 March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 knowledge and belief and according to the information and explanations given to us:
- (i) The Company does not have any pending litigations as at March 31, 2015 which would impact its financial position.
- (ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2015
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015
12. 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.

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


Chetan Shroff
Partner
Membership Number 104273
Place: Pune
Date: April 28, 2015



Zensar (Africa) Holdings (Pty) Ltd

BALANCE SHEET as at 31st March 2015

	Note No.	2015 Rs. in lakhs	2014 Rs. in lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	60.50	60.50
Reserves and Surplus	3	6.63	2.24
		<u>53.87</u>	<u>58.26</u>
CURRENT LIABILITIES			
Trade Payables	4	3.08	
Other Current Liabilities	5	3.08	
		<u>56.95</u>	<u>58.26</u>
TOTAL		<u>56.95</u>	<u>58.26</u>
ASSETS			
Investments in Subsidiaries		44.06	44.06
Current Assets			
Trade receivables	6		-
Cash and Bank Balances	7	12.74	14.20
Short-term Loans and Advances	8	0.15	0.00
Other Current Assets	9		
		<u>56.95</u>	<u>58.26</u>
TOTAL		<u>56.95</u>	<u>58.26</u>

Summary of significant accounting policies 1

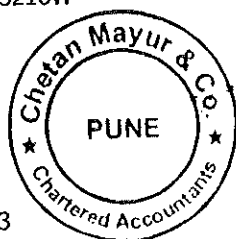
The accompanying notes (2 to 13) are an integral part of the financial statements

This is the 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

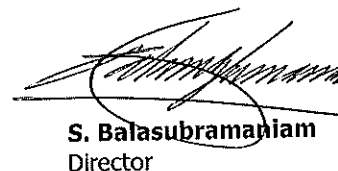


Place : Pune
Date : April 28, 2015

For and on behalf of the Board



Dr. Ganesh Natarajan
Director


S. Balasubramaniam
Director

Place : Pune
Date : April 28, 2015


Zensar (Africa) Holdings (Pty) Ltd**STATEMENT OF PROFIT AND LOSS for the Year ended on 31st March, 2015**

	Note No.	2015 Rs. in lakhs	2014 Rs. in lakhs
INCOME			
Software development and allied services		0.00	0.00
Other Income	10	0.59	0.08
		0.59	0.08
EXPENDITURE			
Other Expenses	11	3.43	0.00
Finance Cost	12	0.22	0.03
		3.66	0.03
PROFIT/(LOSS) BEFORE TAXATION		(3.06)	0.05
Provision for Taxation - Current Tax		-	-
Profit/(Loss) after Taxation carried forward to Balance Sheet		(3.06)	0.05

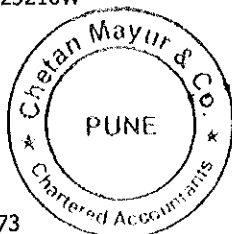
The accompanying notes (2 to 13) are an integral part of the financial statements

This is the 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
Notes to the Financial Statement for the year ended 31st March, 2015

1. Significant Accounting Policies

Company Overview

Zensar (Africa) Holdings (Pty) Ltd is a company registered under the laws of South Africa. Zensar (Africa) Holdings (Pty) Ltd is the Holding Company and its subsidiary 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 financial statements of Zensar (Africa) Holdings (Pty) Ltd 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 financial statements in conformity of 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 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 Financial Statement for the year ended 31st March, 2015**

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

(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

2015		2014	
Numbers	% held	Numbers	% held
100	100%	100	100%

3. RESERVES AND SURPLUS**Cumulative Translation Adjustment Reserve**

Balance brought forward	(2.29)	-
Foreign Currency Translation Reserve for the year	(1.32)	(2.29)
	<u>(3.61)</u>	<u>(2.29)</u>

Surplus / (deficit) in Statement of Profit and Loss

Balance brought forward from previous year	0.05	-
Add : Profit after Taxation transferred from Statement of Profit and Loss	(3.06)	0.05
	<u>(6.63)</u>	<u>(2.24)</u>

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

	2015 Rs. in lakhs	2014 Rs. in lakhs
CURRENT LIABILITIES		
4. Trade payables		
Dues to micro and small enterprises	-	-
Dues to other than micro and small enterprises	-	-
	<u>-</u>	<u>-</u>
5. Other Current Liabilities		
Accrued Salaries and Benefits	-	-
Withholding and other taxes	-	-
Other Payables	3.08	-
	<u>3.08</u>	<u>-</u>
CURRENT ASSETS		
6. Trade Receivables		
Debts outstanding for a period exceeding six months from the date they are due for payment:		
Considered good	-	-
Considered doubtful	-	-
Other Debts		
Considered good	-	-
	<u>-</u>	<u>-</u>
7. Cash and Bank Balances		
Balance with Banks :		
On Current Account	12.74	14.20
Fixed Deposits	0.00	0.00
	<u>12.74</u>	<u>14.20</u>
8. Short-term Loans and Advances		
Others	0.15	0.00
	<u>0.15</u>	<u>0.00</u>
9. Other Current Assets		
Accrued Income (Unbilled Services)	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
10. Other Income		
Interest Income :		
-on deposits with banks	0.59	0.08
	<u>0.59</u>	<u>0.08</u>
11. Other Expenses		
Cost of manpower hired	0.00	0.00
Legal and Professional Charges	0.33	0.00
Miscellaneous Expenses	3.10	-
Bad Debts Written off	0.00	-
	<u>3.43</u>	<u>0.00</u>
12. Finance Cost		
Bank Charges	0.22	0.03
	<u>0.22</u>	<u>0.03</u>

Zensar (Africa) Holdings (Pty) Ltd
Notes to the 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
A. Receipt of Software Services				
(i) Zensar Technologies Limited	-	-	-	-
Total of Software Services received	-	-	-	-
B. Reimbursement of Expenses Incurred				
(i) Zensar Technologies Limited	-	-	-	-
Total Reimbursement of expenses incurred	-	-	-	-

For **Chetan Mayur & Co.**

Firm Registration Number: 123216W

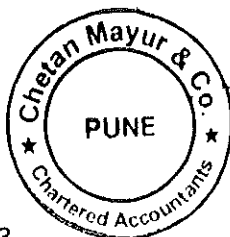
Chartered Accountants

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

Zensar (Africa) Holdings (Pty) Ltd

Cash Flow Statement for Year Ended March 31, 2015

(Rs. In lakhs)

	2014-15	2013-14
A. Cash Flow from Operating Activities :		
Net Profit before Taxation and Prior period expenses	(3.06)	0.05
Adjustments for		
Depreciation	-	-
Interest Expense	-	-
Operating Profit before Working Capital Changes	(3.06)	0.05
Adjustments for		
Increase / (Decrease) in trade payables	-	-
(Increase) / Decrease in trade receivables	-	-
(Increase) / Decrease in other current assets	-	-
Increase / (Decrease) in other current liabilities	1.82	-
(Increase) / Decrease in loans and advances	(0.21)	(0.00)
Cash generated from Operations	1.60	(0.00)
Taxes (Paid) / Received	(1.46)	0.05
Net Cash from Operating activities (A)	(1.46)	0.05
B. Cash Flow from Investing Activities		
Investment in Subsidiary		(46.35)
Net Cash from Investing Activities (B)		(46.35)
C. Cash Flow from Financing Activities		
Share capital Inflow		60.50
Capital Inflow from Clusten In Subsidiary		-
Net Cash from Financing Activities (C)		60.50
D. Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)	(1.46)	14.20
Opening Balance of Cash & Cash Equivalents	14.20	-
Closing Balance of Cash & Cash Equivalents	12.74	14.20

Notes :

- The above 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 Cash Flow Statement referred to in our report of even date.

For Chetan Mayur & Co.

Firm Registration Number: 123216W

Chartered Accountants

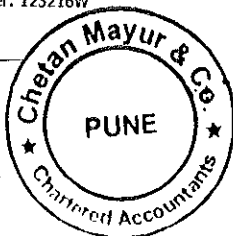
Chetan Shroff

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

Date : April 28, 2015