Zensar Technologies Inc.
Balance Sheet
(All amounts in USD Lakhs, unless otherwise stated)

Balance Sheet as at	Notes	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
(a) Property, plant and equipment	4	5	4
(b) Capital work-in-progress		1	-
(c) Financial assets			
i. Investments	5 (a)	908	848
ii. Other financial assets	5 (b)	0	0
(d) Deferred tax assets (net)	6	34	48
(e) Other non-current assets	7	6	8
Total Non-current assets		954	908
Current assets			
(a) Financial assets			
i. Trade receivables	5 (c)	416	331
ii. Cash and cash equivalents	5 (d)	35	118
iii. Loans	5 (e)	70	40
iv. Other financial assets	5 (f)	246	140
(b) Other current assets	8	30	30
Total current assets		797	659
Total assets		**1,751**	**1,567**
Equity and liabilities			
Equity			
(a) Equity share capital	9 (a)	10	10
(b) Other equity			
i. Reserves and surplus	9 (b) & 9 (c)	617	564
Total equity		627	574
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	11 (d)	8	-
Current liabilities			
(a) Financial liabilities			
i. Borrowings	11 (b)	88	176
ii. Trade payables	11 (c)	907	716
iii. Other financial liabilities	11 (d)	23	21
(b) Employee benefit obligations	10	26	21
(c) Other current liabilities	11 (a)	56	37
(d) Income tax liabilities (net)	12 (a)	16	22
Total current liabilities		1,116	993
Total liabilities		**1,124**	**993**
Total equity and liabilities		**1,751**	**1,567**

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Zensar Technologies Inc.

Hemant M. Joshi
Partner

Place:
Date:

Sandeep Kishore
Director

Place:
Date:

Malay Verma
Director

Place:
Date:

Zensar Technologies Inc.
Statement of Profit and Loss
(All amounts in USD Lakhs, unless otherwise stated)

Statement of Profit and Loss for the	**Notes**	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Income			
(a) Revenue from operations	13	2,282	2,087
(b) Other income	14	1	4
Total income		**2,283**	**2,091**
Expenses			
(a) Purchase of licenses for software applications		22	26
(b) Employee benefits expense	15	790	689
(c) Subcontracting costs		1,230	1,145
(d) Finance costs	16	11	9
(e) Depreciation and amortisation expense	17	2	2
(f) Other expenses	18	122	108
Total expenses		**2,177**	**1,979**
Profit before tax		**106**	**112**
Tax expense			
(a) Current tax	19	39	49
(b) Deferred tax		14	(3)
Total tax expense		53	46
Profit for the year		**53**	**66**
Total comprehensive income for the year		**53**	**66**
Earnings per share - [nominal value per share US$ 0.1 (March 31, 2017: US$ 0.1)]			
- Basic		26.44	32.94
- Diluted		26.44	32.94

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Zensar Technologies Inc.

Hemant M. Joshi
Partner

Place:
Date:

Sandeep Kishore
Director

Place:
Date:

Malay Verma
Director

Place:
Date:

Zensar Technologies Inc.
Statement of Cash Flows for year ended March 31, 2018
(All amounts in USD Lakhs, unless otherwise stated)

Particulars	March 31, 2018		March 31, 2017	
Cash flow from operating activities				
Profit before taxation		106		112
Adjustments for:				
Depreciation and amortisation	2		2	
Interest income	(1)		(0)	
Finance costs	11		9	
Bad Debts written off	1		1	
Provision for doubtful debts	(3)		5	
Provision no longer required written back	-	10	(4)	13
Operating profit before working capital changes		**116**		**125**
Change in operating assets and liabilities				
(Increase)/ decrease in other non current financial assets	(0)		(0)	
(Increase)/ decrease in other non current assets	3		(8)	
(Increase)/ decrease in trade receivables	(82)		(10)	
(Increase)/ decrease in other current financial assets	(107)		(51)	
(Increase)/ decrease in other current assets	0		21	
Increase/ (decrease) in other non current financial liabilities	8		-	
Increase/ (decrease) in non current employee benefit obligations	-		(23)	
Increase/ (decrease) in trade payables	172		6	
Increase/ (decrease) in other current financial liabilities	3		4	
Increase/ (decrease) in current employee benefit obligations	5		20	
Increase/ (decrease) in other current liabilities	18	20	(1)	(42)
Cash generated from operations		136		83
Income taxes paid (net of refunds)		(26)		(2)
Net cash inflow from operating activities		**110**		**81**
Cash flow from investing activities				
Purchase of tangible/intangible assets including capital work in progress	(4)		(2)	
Investment in Subsidiary	(60)		-	
Loan Given	(30)		(40)	
Interest income	1		0	
Net cash used in investing activities		**(93)**		**(42)**
Cash flow from financing activities				
Interest paid	(11)		(9)	
Proceeds / (repayment) of long-term borrowings	(89)		21	
Net cash used in financing activities		**(100)**		**12**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		-		-
Net increase/(decrease) in cash and cash equivalents		**(83)**		**51**
Cash and cash equivalents at the beginning of the year		118		67
Cash and cash equivalents at the end of the year		35		118

Notes:
a. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

b. Cash and cash equivalents comprise of:

	2017-18	2016-17
Cash on hand	-	-
Balances with banks	35	118
Total	**35**	**118**

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Zensar Technologies Inc.

Hemant M. Joshi
Partner

Place:
Date:

Sandeep Kishore
Director

Place:
Date:

Malay Verma
Director

Place:
Date:

Zensar Technologies Inc.
Statement of changes in equity
(All amounts in USD Lakhs, unless otherwise stated)

Equity share capital

Balance as at April 1, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
10	-	10
Balance as at April 1, 2017	**Changes in equity share capital during the year**	**Balance as at March 31, 2018**
10	-	10

Particulars	Notes	Reserves and Surplus	Total
		Retained earnings	
Balance as at March 31, 2016		**498**	**498**
Profit for the year	9 (c)	66	**66**
Total comprehensive income for the year		**66**	**66**
Balance as at March 31, 2017		**564**	**564**
Profit for the year	9 (c)	53	**53**
Total comprehensive income for the year		**53**	**53**
Balance as at March 31, 2018		**617**	**617**

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Zensar Technologies Inc.

Hemant M. Joshi
Partner

Place:
Date:

Sandeep Kishore
Director

Place:
Date:

Malay Verma
Director

Place:
Date:

1. Background

Zensar Technologies Inc. (the "Company") is 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.
The financials statements for the year ended March 31, 2018 were approved by board of directors and authorised for issue on April 24, 2018.

2. Summary of significant accounting policies

a. Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015.

b. Basis of preparation

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:
-certain financial assets and liabilities which are measured at fair value and
- share- based payments

(ii) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's 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 cycle as 12 months for the purpose of current -non current classification of assets and liabilities.

c. Foreign currency translation

Functional and presentation currency:
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollar (USD), which is the Company's functional and presentation currency.

d. Revenue Recognition

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, and sale of software licences.
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, discounts, value added taxes and other amounts collected on behalf of third parties.

The company recognised revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The Company estimates its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Time and material contracts:

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

(ii) Fixed- price contracts:

Revenues from fixed-price contracts, including IT Infrastructure development and integration contracts are recognized using the “percentage-of-completion” method. Percentage of completion is determined based on efforts or costs incurred to date as a percentage of total estimated efforts or costs required to complete the project. The efforts or cost expended are used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.
When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of income in the period in which such losses become probable based on the current contract estimates.
‘Unbilled revenues’ represent earnings in excess of billings as at the end of the reporting period. ‘Unearned revenues’ represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Unearned revenues'.

(iii) Maintenance contracts:

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion. In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

(iv) Multiple element arrangements:

Revenue from contracts with multiple-element arrangements are recognized using the guidance in Ind AS 18, Revenue. The Company allocates the arrangement consideration to separately identifiable components based on their relative fair values or on the residual method. Fair values are determined based on sale prices for the components when it is regularly sold separately, third-party prices for similar components or cost plus an appropriate business-specific profit margin related to the relevant component.

(v) Sale of licenses:

Revenue from sale of licenses and support are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

e. Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of income except to the extent it relates to items directly recognized in equity or in other comprehensive income.

(i) Current Income Tax:

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period.
The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

(ii) Deferred Tax:

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

f. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

As a lessee:

Operating lease: Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of profit or loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Deposits provided to lessors: The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.
Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

g. Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h. Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, in banks and demand deposits with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

i. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

j. Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either though other comprehensive income, or through profit and loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Measurement

Financial assets carried at amortised cost:
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI):
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further,in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL):
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

(v) Derecognition of financial assets

The Company derecognizes a financial asset when
- the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109.
- retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

(vi) Income Recognition

Interest Income:
Interest income from debt instruments is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(vii) Investments in subsidiaries: The Company has accounted for its investment in subsidiaries at cost.

k. Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

(ii) Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as Non current liabilities unless payment is not due within 12 months after the reporting period.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

l. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforeacble right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

m. Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit and loss in the reporting period in which they occur.

An item of Property, Plant & Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

The cost of property, plant and equipment not available for use before year end date are disclosed under capital work- in-progress.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and

(ii) Depreciation

The Company depreciates property, plant and equipment on a straight-line basis as per the useful lives. Useful life of assets have been determined based on technical evaluation done by the management's expert:

Class of asset	**Useful life as followed by the Company**
Networking Equipments and Servers (classified under Data Processing Equipments)	4 years
Laptops and Desktops (classified under Data Processing Equipments)	3 years
Office Equipments	4 years
Furniture	5 years

Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate and where appropriate.

n. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material)
Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

o. Employee benefits

(i) Post-employment and pension plans

The Company has Defined Contribution Plan for Post-employment benefits for all employees in the form of 401(k) Fund and Social Security Fund. This fund is classified as defined contribution plan. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service.

(ii) Short-term benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. Liabilities for wages and salaries including the amount expected to be paid under short-term cash bonus or profitsharing plans, expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.
Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

p. Contributed Equity

Equity shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

q. Earnings per share

The basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date.

r. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of Schedule III, unless otherwise stated

s. Fair value measurement:

The company measures certain financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market
participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- in the principal market for the asset or liability,
or
- in the absence of a principal market, in the most advantageous market for the asset or liability

3. Critical estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

The areas involving critical estimates and/or judgements are:

a Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any,on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under note 2(e).

c Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic
depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2(m).

d Impairment of Investments

The Company reviews its carrying value of investments in subsidiaries and other entities annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

e Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2(n).

Zensar Technologies Inc.
Notes to the financial statements as at and for the year ended
(All amounts in USD Lakhs, unless otherwise stated)

4 Property, plant and equipment

Particulars	**Leasehold Improvements**	**Furniture and Fixtures**	**Office Equipments**	**Data Processing Equipments**	**Total**
Gross carrying amount					
As at March 31, 2016	1	3	3	7	14
Additions	0	1	0	1	2
Gross carrying amount as at March 31, 2017	**1**	**4**	**3**	**8**	**16**
Accumulated Depreciation					
As at March 31, 2016	0	3	2	5	10
Depreciation during the year	0	0	1	1	2
					-
Accumulated depreciation as at March 31, 2017	**0**	**3**	**3**	**6**	**12**
Net carrying amount as at March 31, 2017	**1**	**1**	**0**	**2**	**4**

Particulars	**Leasehold Improvements**	**Furniture and Fixtures**	**Office Equipments**	**Data Processing Equipments**	**Total**
Gross carrying amount					
As at March 31, 2017	1	4	3	8	16
Additions	-	0	0	3	3
Gross carrying amount as at March 31, 2018	**1**	**4**	**3**	**11**	**19**
Accumulated Depreciation					
As at March 31, 2017	0	3	3	6	12
Depreciation during the year	0	0	0	2	2
Disposals					-
					-
Accumulated depreciation as at March 31, 2018	**0**	**3**	**3**	**8**	**14**
Net carrying amount as at March 31, 2018	**1**	**1**	**0**	**3**	**5**

Zensar Technologies Inc.
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD Lakhs, unless otherwise stated)

5 Financial assets

(a) Non-current investments

Particulars	As at March 31, 2018	As at March 31, 2017
Investments carried at cost		
Investment in equity instruments of subsidiary companies - Unquoted		
PSI Holding Group Inc.		
100 (March 31, 2017: 100) Shares of an aggregate cost of US$ 0.01 (March 31, 2017: US$ 0.01) of the common stock of no par value	683	683
Professional Access Limited		
139 (March 31, 2017: 139) Shares of an aggregate cost of US$ 1(March 31, 2017: US$ 1) of the common stock of no par value	165	165
Keystone Logic Inc		
50,000,000 (March 31, 2017: Nil) Shares of an aggregate cost of US$ 0.001 of the common stock of no par value (refer note 25)	60	-
Total	**908**	**848**

5 (b) Other financial assets : Non current

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits	0	0
Total	**0**	**0**

5 (c) Trade receivables

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Considered good	416	331
Considered doubtful	4	7
	420	**338**
Less: Allowance for Doubtful Trade Receivables	4	7
Total receivables	**416**	**331**
Current portion	416	331
Non- current portion	-	-

Zensar Technologies Inc.
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD Lakhs, unless otherwise stated)

5 (d) Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks :		
- In current accounts	35	118
Total	**35**	**118**

5 (e) Loans : Current

(Unsecured and considered doubtful)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans to related parties [refer note 22]	70	40
Total	**70**	**40**

5 (f) Other financial assets : Current

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Unbilled Revenues	201	125
Contractually Reimbursable Expenses	44	15
Interest receivable on loans (Net of provision)	1	-
Total	**246**	**140**

Zensar Technologies Inc.
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD Lakhs, unless otherwise stated)

6 Deferred Tax Asset (net)

The components of deferred tax assets and liabilities are as follows:

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
The major components of the deferred tax asset are:		
Non Deductible ESOP	1	-
Leave Encashment	9	8
Provision for Doubtful Debts	1	3
Unamortised Portion of Goodwill as per IndAS	13	25
Expenses allowed on payment basis	11	12
	35	**48**
The major components of the deferred tax liability are:		
Unrealised Gain	0	0
Depreciation	1	0
	1	**0**
Net deferred tax asset / (liability)	**34**	**48**

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(i) Movement in deferred tax assets

Particulars	**Leave encashment**	**Non Deductible ESOP**	**Provision for doubtful debts**	**Unamortised Goodwill as per Ind AS**	**Provision for expenses allowable on payment basis**	**Total**
As at March 31, 2016	**9**	**-**	**3**	**30**	**4**	**46**
Charged/(credited):						
- to statement of profit and loss	(1)	-	(0)	(5)	8	2
As at March 31, 2017	**8**	**-**	**3**	**25**	**12**	**48**
Charged/(credited):						
- to statement of profit and loss	1	1	(2)	(12)	(1)	(13)
As at March 31, 2018	**9**	**1**	**1**	**13**	**11**	**35**

(ii) Movement in deferred tax liabilities

Particulars	**Depreciation**	**Unrealised Gain**	**Total**
As at March 31, 2016	**1**	**(0)**	**1**
Charged/(credited):			
- to statement of profit and loss	(1)	0	**(1)**
As at March 31, 2017	**0**	**0**	**0**
Charged/(credited):			-
- to statement of profit and loss	1	0	**1**
As at March 31, 2018	**1**	**0**	**1**

Zensar Technologies Inc.
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD Lakhs, unless otherwise stated)

7 Other non-current assets

(Unsecured and considered good unless otherwise stated)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Prepaid expenses	6	8
Total	**6**	**8**

8 Other Current assets

(Unsecured and considered good unless otherwise stated)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Advances other than capital advances:		
- advances to employees	1	1
- advances to suppliers	17	20
Others:		
- Prepaid expenses	11	8
- Others #	1	1
Total	**30**	**30**

Others include Loans to employees

Zensar Technologies Inc.
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD Lakhs, unless otherwise stated)

9 (a) Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Issued, subscribed and Paid up :		
200,000 equity shares at no par value	10	10
Total	**10**	**10**

(i) Reconciliation of the shares outstanding as at the beginning and at the end of the year:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos	USD lakhs	Nos	USD lakhs
At the beginning of the year	200,000	10	200,000	10
Outstanding at the end of the year	**200,000**	**10**	**200,000**	**10**

(ii) Details of shareholders holding more than 5% of the aggregate shares in the company

Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	%	Number of shares	%	Number of shares
Zensar Technologies Limited	100	200,000	100	200,000

Zensar Technologies Inc.
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD Lakhs, unless otherwise stated)

9 (b) Reserves and surplus:

Particulars	As at March 31, 2018	As at March 31, 2017
Retained earnings	617	564
Total reserves and surplus	**617**	**564**

9 (c) Movement of Reserves and surplus

Particulars	As at March 31, 2018	As at March 31, 2017
Retained earnings		
Balance as at the beginning of the year	564	498
Add: Profit for the year	53	66
Balance as at the end of the year	**617**	**564**

Zensar Technologies Inc.
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD Lakhs, unless otherwise stated)

10 Employee benefit obligations

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Current		
Provision for compensated absences	26	21
Total	**26**	**21**

(ii) Defined contribution plans:

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Contribution to Employees' Social Security Fund	37	32
Contribution to Employees' 401(K) Fund	11	9
Contribution to Employees' Medicare Fund	9	8

11 (a) Other Current liabilities

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Unearned Revenue	54	36
Statutory Dues	1	1
Interest accrued on borrowings	1	-
Total	**56**	**37**

11 (b) Borrowings

Particulars	**Maturity date**	**Terms of repayment**	**As at March 31, 2018**	**As at March 31, 2017**
Current borrowings - From banks (Secured)	N.A	Payable within six months from date of borrowing	-	176
From Related Parties			88	-
Current borrowings			**88**	**176**

Secured by: Present and future right, tilte and interest of the Company's Assets, current and future.

11 (c) Trade payables

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Current		
Trade payables**	907	716
Total	**907**	**716**

** Trade payables include payable to related parties (Refer note 22)

11 (d) Other financial liabilities

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Non-current		
Accrued salary and benefits	8	-
Total non - current financial liabilities	**8**	**-**
Current		
Accrued salary and benefits	22	20
Others	1	1
Total other current financial liabilities	**23**	**21**

Zensar Technologies Inc.
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD Lakhs, unless otherwise stated)

12(a) Income taxes

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Income tax liabilities (net)	16	22
Net current income tax assets / (liability)	**(16)**	**(22)**

12(b) Movement

The gross movement in the income tax asset /(liability) is as follows:

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Net current income tax asset / (liability) at the beginning	(22)	15
Income tax paid	26	2
Current income tax expense (refer note 19(i))	(35)	(48)
Adjustment for current tax of prior periods (refer note 19 (i)	(3)	(1)
Group Relief Tax Aggregation	16	9
Others	2	1
Net current income tax asset / (liability) at the end	**(16)**	**(22)**

(All amounts in USD Lakhs, unless otherwise stated)

13 Revenue from operations

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Software development and allied services	2,282	2,087
Total	**2,282**	**2,087**

14 Other income

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest Income from financial assets - Carried at amortised cost		
Interest income on loan to subsidaries	1	-
Other interest income	0	0
Net foreign exchange gain / (loss)	0	(0)
Provisions no longer required and credit balances written back	-	4
Miscellaneous Income	0	0
Total	**1**	**4**

15 Employee benefit expense

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries, wages and bonus	686	588
Contribution to provident and other funds (Refer note 10)	57	49
Employee share-based payment expense	5	11
Staff welfare expenses	42	41
Total	**790**	**689**

16 Finance Costs

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest on loans	3	3
Bank charges	8	6
Total	**11**	**9**

(All amounts in USD Lakhs, unless otherwise stated)

17 Depreciation and amortisation expense

Particulars	**For the Year ended March 31, 2018**	**For the Year ended March 31, 2017**
Depreciation of Property, plant and equipment	2	2
Total	**2**	**2**

18 Other expenses

Particulars	**For the Year ended March 31, 2018**	**For the Year ended March 31, 2017**
Travelling and conveyance	34	27
Recruitment expenses	9	14
Training expenses	2	0
Electricity and power	0	0
Rent	5	4
Repairs and maintenance to :		
-Data Processing Equipment	0	0
-Others	3	-
Insurance	3	3
Rates and taxes	4	3
Legal and professional charges	47	35
Communication expenses	11	5
General Office Expenses	0	0
Advertisement and publicity	2	2
Allowance for doubtful debts		
- Provided during the year	0	5
- Bad debts written off	1	1
- Less: Reversed during the year	(3)	-
	(2)	**6**
Miscellaneous expenses	4	9
Total	**122**	**108**

(All amounts in USD Lakhs, unless otherwise stated)

19 Tax expense

This note provides an analysis of Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non- assessable and non-deductible items. It also explains significant estimates made in relation to Company's tax positions

(i)

Particulars	**For the Year ended March 31, 2018**	**For the Year ended March 31, 2017**
Income tax expense		
Current Tax		
Current tax on profits for the year	35	48
Adjustment for current tax of prior periods	3	1
Total current tax expense	**39**	**49**
Deferred tax		
Decrease / (increase) in deferred tax assets	14	
(Decrease) / increase in deferred tax liabilities		(3)
Total deferred tax expense / (benefit)	**14**	**(3)**
Income tax expense	**53**	**46**

- The company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commencement the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five year subject to certain of a Special Economic Zone Re-investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

(ii) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate in USA:

Particulars	**For the Year ended March 31, 2018**	**For the Year ended March 31, 2017**
Profit before taxes	106	112
Enacted income tax rate in USA	30.75%	34.00%
Computed expected tax expenses	**33**	**38**
Effect of income exempt from tax	1	1
Effect of non deductible expenses	1	1
Changes in unrecognized deferred tax assets (net)	14	(3)
Income taxed at higher/(lower) rates	1	3
Income tax relating to prior years	3	1
Others	(0)	5
	53	**46**

20 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

(a) Market Risk

(ii) Sensitivity - Interest rate risk exposure

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax	
	March 31, 2018	**March 31, 2017**
Interest rates - increase by 50 basis points (50 bps)	0.04	0.03
Interest rates - decrease by 50 basis points (50 bps)	0.04	(0.03)

(b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 416 lakhs and USD 331 lakhs as of March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to USD 201 lakhs and USD 125 lakhs as of March 31, 2018 and March 31, 2017, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers located in the United States. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of IND AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The company uses a matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors and company's historical experience for customers.

ba The following table gives details in respect of percentage of revenues generated from top customer and top five customers, other than related parties:

	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from top customer	51.2%	54.7%
Revenue from top five customers	65.5%	66.8%

bb The allowance for life time expected credit loss on customer balances for the year ended March 31, 2018 and March 31, 2017 was USD 4 lakhs and USD 7 lakhs, respectively. The increase of allowance for life time expected credit gain on customer balances for the year ended March 31, 2018 was USD 2 lakhs and loss of USD 5 lakhs in March 31, 2017.

	March 31, 2018	March 31, 2017
Balance at the beginning of the year	**7**	**5**
Translation differences		
Allowance for doubtful debts	(2)	5
Write offs	(1)	(3)
Balance at the end	**4**	**7**

The Company's credit period generally ranges from 60-90 days

	March 31, 2018	March 31, 2017
Trade receivables	416	331
Unbilled revenues	201	125
Days sales outstanding - DSO (days)	99	80

bc Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of March 31, 2018, cash and cash equivalents are held with major banks and financial institutions.

ca The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts include estimated interest payments and exclude the impact of netting agreements, if any.

	As at March 31, 2018				
	Contractual cash flows				
	Carrying value	**Less than 1 year**	**1-2 years**	**2-4 years**	**Total**
Borrowings	88	88	-		88
Trade payables	907	907	-		907
Other liabilities	31	23	8		31

Particulars	As at March 31, 2017				
	Contractual cash flows				
	Carrying value	**Less than 1 year**	**1-2 years**	**2-4 years**	**Total**
Borrowings	176	176	-		176
Trade payables	716	716	-	-	716
Other liabilities	21	21	-	-	21

21 Capital management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 11(b) and 5(d) offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

(All amounts in USD Lakhs, unless otherwise stated)

21 Capital management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 11(b) and 5(d) offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

22 Related party disclosures

A List of related parties

Zensar Technologies Limited (Holding Company)

(i) List of subsidiaries

Name	Country of Incorporation	Relationship
PSI Holding Group, Inc	United States of America	100% Subsidiary
Professional Access Limited	United States of America	100% Subsidiary
Keystone Logic Inc. (refer note (I) below)	United States of America	100% Subsidiary
Zensar Technologies IM Inc.	United States of America	100% Step-down Subsidiary
Zensar Technologies IM B.V.	Netherlands	100% Step-down Subsidiary
Zensar Info Technologies (Singapore) Pte. Limited	Singapore	Fellow Subsidary
Zensar Information Technologies Limited	India	Fellow Subsidary
Zensar Software Technologies Limited	India	Fellow Subsidary
Zensar IT Services Limited	India	Fellow Subsidary
Foolproof Limited	United Kingdom	Fellow Subsidary
Flow Interactive Limited	United Kingdom	Fellow Subsidary
Knit Limited	United Kingdom	Fellow Subsidary
Foolproof (SG) Pte Limited	Singapore	Fellow Subsidary
Zensar Technologies (Singapore) Pte. Limited	Singapore	Fellow Subsidary
Zensar (Africa) Holdings Proprietary Limited	South Africa	Fellow Subsidary
Zensar Technologies (Shanghai) Company Limited	China	Fellow Subsidary
Zensar Technologies (UK) Limited	United Kingdom	Fellow Subsidary
Zensar Advanced Technologies Limited	Japan	Fellow Subsidary
Zensar (South Africa) Proprietary Limited	South Africa	Fellow Subsidary

Notes:
(I) The Company, on1st April 2017 through agreement dated 30th March 2017, completed the acquisition of:
- acquiring 100 % stake in Keystone Logic Inc. through its 100 % Zensar Technologies Inc.Accordingly, Keystone Logic Inc. became 100 % subsidiary of Zensar Technologies Inc wef 1st April 2017

(ii) Key Management Personnel

Name	Designation
Sandeep Kishore	Chief Executive Officer and Managing Director

(iii) Entities where Key management personnel either have significant influence or are members of key management

Name	Nature
RPG Enterprises Harrisons Malayalam Limited KEC International Limited Raychem RPG Limited RPG Life Sciences Limited RPG Foundation CEAT limited	Entities where key management personnel have significant influence

B Transactions with Related Parties

Sr. No.	Particulars	Volume of transactions during the year ended		Amount outstanding as on		
		March 31, 2018	March 31, 2017	March 31, 2018		March
				Receivable	Payable	Receivable
A.	**Revenue from rendering services**					
(i)	Zensar Technologies Limited	849	778	-	744	-
(ii)	Zensar Technologies (UK) Limited	23	11	-	13	-
(iii)	Zensar Technologies (Shanghai) Co.Limited	-	-	-	0	-
	Total of Revenue from rendering services	**872**	**789**	**-**	**757**	**-**
B	**Reimbursement of expenses by the Company**					
(i)	Zensar Technologies Limited	27	26	-	0	-
(ii)	Zensar Technologies IM Inc	(10)	70	-	34	-
(iii)	Professional Access Limited-USA	28	2	-	5	-
(iv)	Foolproof Ltd	0	-	-	-	-
	Total of Reimbursement of expenses incurred	**45**	**98**	**-**	**39**	**-**
C.	**Reimbursement of expenses to the Company**					
(i)	Zensar Technologies (UK) Limited	0	1	1	-	-
(ii)	Zensar Technologies IM Inc	19	7	18	-	7
(iii)	Professional Access Ltd - USA	30	3	16	-	1
(iv)	Zensar Technologies (Shanghai) Co. Ltd.	-	-	2	-	2
(v)	Keystone Logic Inc.	2	-	2	-	-
(vi)	Aquila Technology.	0	-	0	-	-
(vii)	PSI Holding Group Inc.	1	-	1	-	-
	Total of Reimbursement of expenses incurred	**53**	**11**	**40**	**-**	**10**
D.	**Loans granted/ (repaid)**					
(i)	Zensar Technologies IM Inc	30	40	70	-	40
	Total of loans granted/ (repaid)	**30**	**40**	**70**	**-**	**40**
D.a	**Loans Payable**					
(i)	Zensar Technologies (UK) Limited	45	-	-	45	-
(ii)	Keystone Logic Inc.	15	-	-	15	-
(iii)	Professional Access Ltd - USA	28	-	-	28	-
	Total Payable	**88**	**-**	**-**	**88**	**-**
E.	**Advances Given**					
(i)	Zensar Technologies IM Inc	-	5	5	-	5
		-	**5**	**5**	**-**	**5**
F.	**Interest Payable**					
(i)	Zensar Technologies (UK) Limited	0	-	-	0	-
(ii)	Keystone Logic Inc.	0	-	-	0	-
(iii)	Professional Access Ltd - USA	0	-	-	0	-
	Total of interest Expenses	**0**	**-**	**-**	**0**	**-**
G.	**Compensation of Key management personnel**	**Sandeep Kishore**				
		March 31, 2018	**March 31, 2017**			
(i)	Short Term Benefits	15	15	-	-	-
(ii)	Long-term Employee benefits	0	0	-	-	-
	Total Key management personnel compensation	**15**	**15**	**-**	**-**	**-**

Zensar Technologies Inc.
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD Lakhs, unless otherwise stated)

23 Segment reporting

The Company is engaged mainly in the business of providing supply chain support services. As the Company is engaged in only one operating segment, the Balance Sheet as at March 31, 2018 and Statement of Profit and Loss for the year pertain to only one operating segment.

24 Fair value measurements

Financial instruments by category:

Particulars	**March 31, 2018**			**March 31, 2017**		
	FVPL	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investments	-	-	-	-	-	-
Trade receivables	-	-	416	-	-	331
Cash and cash equivalents	-	-	35	-	-	118
Loans	-	-	70	-	-	40
Security deposits	-	-	0	-	-	0
Unbilled revenue	-	-	201	-	-	125
Others	-	-	45	-	-	15
Total financial assets	**-**	**-**	**767**	**-**	**-**	**629**
Financial liabilities						
Borrowings	-	-	88	-	-	176
Trade payables	-	-	907	-	-	716
Other financial liabilities	-	-	31	-	-	21
Total financial liabilities	**-**	**-**	**1,026**	**-**	**-**	**913**

Above excludes investments in subsidiaries accounted as per cost model as prescribed under paragraph 10 of Ind AS 27 "Separate Financial Statements".

(i) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are
(a) recognised and measured at fair value, and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.
To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchange is valued using the closing price as at the reporting period.

Level 2: Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.

(ii) As per Ind AS 107 "Financial Instrument:Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

1. Trade receivables
2. Cash and cash equivalent
3. Loans to related parties
4. Security deposits
5. Unbilled revenue
6. Contractually reimbursable expenses
7. Interest accrued on loans
8. Borrowings
9. Trade payables
10. Employee dues
11. Other Payables

25 Business Combination

aa Summary of acquisition:

The Company entered into a Business Undertaking Transfer Agreement for the purchase of business of Keystone Logic Inc., for a purchase consideration of USD 60 lakhs (excluding contingent consideration).
The payment of purchase consideration and acquisition of related control occurred subsequent to March 31, 2017.

The Company entered into Share Purchase Agreement dated March 21, 2018 to acquire 100% equity of Cynosure Inc., a USA based IT company for a total purchase consideration not exceeding USD 590 Lakhs, USD 310 Lakhs payable upfront and balance amount of USD 280 Lakhs being earn-outs, subject to performance targets over 24 months.
The above mentioned acquisitions has been consummated in April 2018.

ab The transaction was consummated on April 1, 2017 and as at the date of the issue of financial statements the accounting for business combination is incomplete. As a result other disclosures required under Ind AS 103 - Business Combination have not been made.

26 The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by Price Waterhouse, Chartered Accountants, the predecessor auditor.

For and on behalf of the Board of Directors of
Zensar Technologies Inc.

Sandeep Kishore	**Malay Verma**
Director	**Director**
Place:	Place:
Date:	Date: