

The Board of Directors
Zensar Technologies (Shanghai) Co. Ltd

Report on special purpose financial statements

1. We have audited the accompanying special purpose Ind AS financial statements of Zensar Technologies (Shanghai) Co. Ltd (the "Company") which comprise the balance sheet as at March 31, 2017, the statement of profit and loss (including Other Comprehensive Income), the cash flow statement and the Statement of Change in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the special purpose Ind AS Financial Statements

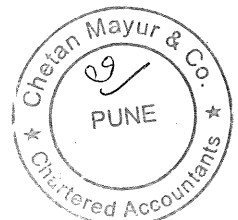
2. Management is responsible for the preparation of these special purpose Ind AS financial statements as mentioned above to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Companies Act, 2013 to the extent considered relevant by it for the purpose for which these special purpose financial statements have been prepared (the "accounting principles generally accepted in India"). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of special purpose Ind AS financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these special purpose Ind AS financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Ind AS financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. Based on our audit, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;



- b. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- c. In our opinion and to the best of our information and according to the explanations given to us, the special purpose Ind AS financial statements, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, the state of affairs of the Company as at March 31, 2017;
 - (ii) in the case of the Statement of Profit and Loss (including other comprehensive income), the loss for the year ended on that date;
 - (iii) in the case of the Cash flow statement, of the cash flows for the year ended on that date; and
 - (iv) in the case of the Statement of Change in Equity, the change in equity for the year ended on that date

Emphasis of Matter – Basis of Preparation

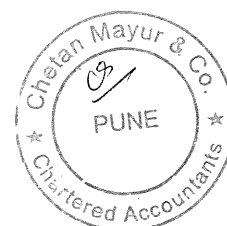
7. We draw attention to Note 2(a) to the special purpose Ind AS financial statements, which describes the basis of its preparation. The special purpose Ind AS financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose Ind AS financial statements for the purposes for which those have been prepared. Our opinion is not qualified in respect of this matter.

Other Matter

8. The special purpose Ind AS financial statements dealt with by this report, have been prepared for the express purpose to enable Zensar Technologies Limited to prepare Consolidated Ind AS Financial Statement pursuant to the requirement of Companies Act, 2013.
9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued special purpose financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated April 22, 2016 and April 28, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Restriction on Use

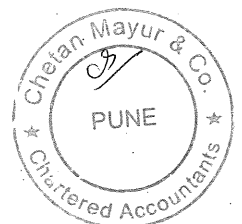
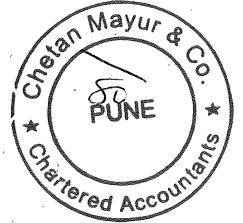
10. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any Ind AS financial statements of the Company.



11. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 9 above. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Chetan Mayur & Co neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

For Chetan Mayur & Co
Chartered Accountants
Firm Registration No 123216W

Chetan Shroff
Partner
M No 104273
Date: 25th April 2017
Place: Pune



ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
Balance Sheet
(All amounts in INR Lakhs, unless otherwise stated)

	Notes	March 31, 2017	March 31, 2016	April 1, 2015
Assets				
Non current assets				
(a) Property, Plant and Equipment	4	4.95	5.89	8.99
(b) Other Intangible assets	5	0.26	0.29	0.28
(c) Financial assets				
i. Other financial assets	7	0.22	0.24	4.05
Total Non-current assets		5.43	6.42	13.32
Current assets				
(a) Financial assets				
i. Trade receivables	6	57.36	46.37	57.06
ii. Cash and cash equivalents	8	158.55	238.78	225.54
iii. Unbilled revenues		(0.00)	(0.00)	2.49
(b) Other current assets	9	6.89	6.64	9.78
Total current assets		222.80	291.79	294.87
Total assets		228.23	298.21	308.19
Equity and liabilities				
Equity				
(a) Equity share capital	10 (a)	504.85	504.85	504.85
(b) Other equity				
i. Reserves and surplus	10 (b)	(694.67)	(620.81)	(606.87)
ii. Other components of equity	10 (d)	12.83	(2.01)	(0.00)
Total equity		(176.98)	(117.96)	(102.02)
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
i. Borrowings	11 (a)	-	-	-
ii. Other financial liabilities	11 (b)	-	-	-
(d) Other non-current liabilities		-	-	-
Total non-current liabilities		-	-	-
Current liabilities				
(a) Financial liabilities				
i. Borrowings	11 (a)	97.74	99.86	90.45
ii. Trade payables	12	306.59	310.92	291.89
iii. Other financial liabilities	11 (b)	-	5.39	22.19
(d) Unearned revenue		-	-	-
(b) Other current liabilities	13	0.88	-	5.68
Total current liabilities		405.21	416.17	410.21
Total equity and liabilities		228.23	298.21	308.19

The above Balance Sheet should be read in conjunction with the accompanying notes.
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

For and on behalf of the Board

Chetan Shroff
Partner
Membership No. 104273

Sandeep Kishore
Director

S. Balasubramaniam
Director

Place: Pune
Date: April 25, 2017

Place: Pune
Date: April 25, 2017

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ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
Statement of Profit and Loss for the year ended March 31, 2017
(All amounts in INR Lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Continuing operations			
Income			
Revenue from operations	14	16.89	252.37
Other income	15	1.14	0.31
Other gains / (losses) - net	16	(11.26)	0.81
Total Income		6.77	253.49
Expenses			
Employee benefits expense	17	48.65	190.65
Depreciation and amortisation expense	18	0.60	3.26
Other expenses	19	31.22	68.93
Finance cost	20	0.14	4.60
Total expenses		80.62	267.44
Profit / (Loss) before exceptional items and tax		(73.85)	(13.95)
Exceptional items			
Profit / (Loss) before tax from continuing operations		(73.85)	(13.95)
Income tax expense	20	-	-
Current tax		-	-
Deferred tax		-	-
Total tax expense		(73.85)	(13.95)
Profit/(Loss) from continuing operations			
Profit/ (Loss) for the year		(73.85)	(13.95)

The above Statement of Profit and loss should be read in conjunction with the accompanying notes.
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

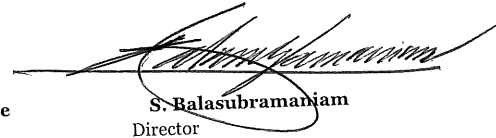
Chetan Shroff
Partner
Membership No. 104273

Place: Pune
Date: April 25, 2017

For and on behalf of the Board

Sandeep Kishore
Director

Place: Pune
Date: April 25, 2017


S. Balasubramaniam
Director

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ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
Statement of Other Comprehensive Income for the year ended March 31, 2017
(All amounts in INR Lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Other comprehensive income			
Items that may be reclassified to profit or loss			
- Deferred gains / (losses) on cash flow hedges	12 (c)		(1.99)
- Exchange difference on translation of foreign operations	12 (c)		
- Income tax relating to these items	12 (c)	-	(1.99)
Items that will not be reclassified to profit or loss			
- Remeasurements of post employment benefit obligations	12 (c)		
- Income tax relating to this item	12 (c)	-	-
		-	(1.99)
Other comprehensive income for the year, net of tax		(73.85)	(15.94)
Total comprehensive income for the year			

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Profit is attributable to:			
- Owners of Zensar Technologies Limited		-73.85	-13.95
- Non controlling interests		-	-
		(73.85)	(13.95)
Other comprehensive income is attributable to:			
- Owners of Zensar Technologies Limited		-	-1.99
- Non controlling interests		-	(1.99)
		-	
Total comprehensive income is attributable to:			
- Owners of Zensar Technologies Limited		-73.85	-15.94
- Non controlling interests		-	-
		(73.85)	(15.94)
Total comprehensive income attributable to owners of Zensar Technologies Limited arising from:			
- Continuing operations		-73.85	-15.94
		-	-
		(73.85)	(15.94)
Earnings per share - [nominal value per share SGD 1/- (March 31, 2016: SGD 1/-)]			
Earning per equity share for profit from continuing operations attributable to owners of Zensar Technologies Limited	29		
Basic			-5.31
Diluted			-5.31

The above Statement of other Comprehensive income should be read in conjunction with the accompanying notes.
This is Statement of Other comprehensive income 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 25, 2017

For and on behalf of the Board

Sandeep Kishore
Director

Place: Pune
Date: April 25, 2017

S. Balasubramaniam
Director

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ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
Statement of Cash flows for the year ended March 31, 2017
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	March 31, 2017		March 31, 2016	
Cash Flow from operating activities					
Profit/(Loss) before taxation from:					
- continuing operations		(73.85)	(73.85)	(13.95)	(13.95)
Profit/(Loss) before taxation from:					
Adjustments for:					
Depreciation and Amortisation		0.60		3.26	
Interest Income		(0.21)		(0.31)	
Finance costs		0.14		4.60	
Effect of exchange differences on translation of foreign currency cash and cash equivalents		14.83	15.36	(1.99)	5.55
Net exchange differences			(58.48)		(8.40)
Operating Profit before Working Capital Changes					
Change in operating assets and liabilities					
(Increase)/ decrease in other non current financial assets				3.10	
(Increase)/ decrease in trade receivables	(10.99)			10.69	
(Increase)/ decrease in other current financial assets				2.49	
(Increase)/ decrease in other current assets	(0.25)			3.14	
Increase/ (decrease) in trade payables	(4.33)			19.03	
(Increase)/ decrease in other current financial liabilities	(5.39)			(16.80)	
Increase/ (decrease) in other current liabilities	0.88		(20.08)	(5.68)	15.97
Cash generated from operations			(78.56)		7.57
Net cash inflow from operating activities					7.57
Cash Flow from investing activities					
Interest Income		0.21		0.31	
Net Cash used in Investing Activities			0.21		0.31
Cash Flow from financing activities					
Interest paid	(0.14)			(4.60)	
Proceeds / (Repayment) of short-term borrowings	(2.11)		(2.25)	9.41	4.81
Net Cash used in Financing Activities					
Effect of exchange differences on translation of foreign currency cash and cash equivalents			0.37	0.55	0.55
Net Increase/(Decrease) in cash and cash equivalents			(80.24)		13.25
Cash and cash equivalents at the beginning of the financial year			238.78		225.54
Cash and cash equivalents at the end of the financial year			158.55		238.78

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard 3 on Cash Flow Statements.
- Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.
- Cash and cash equivalents comprise of:

	2016-17	2015-16	2014-15
Cash on Hand	-	-	-
Balances with Banks	158.55	238.78	225.54
Total	158.55	238.78	225.54

The accompanying notes are an integral part of these financial statements
This is the Cash Flow Statement 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 25, 2017

For and on behalf of the Board

Sandeep Kishore
Director

S. Balasubramaniam
Director

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ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
Statement of changes in equity
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Equity share capital	Other components of equity		Total
		Retained earnings	Foreign currency translation reserve	
Balance at April 1, 2015	504.85	- 606.88	-	- 102.02
Profit for the year		13.95	-	13.95
Other comprehensive income			(2.00)	(2.00)
Total comprehensive income for the year		- 13.95	(2.00)	(15.95)
Transaction with owners in their capacity as owners:				
Dividends paid			-	0.00
Balance as at March 31, 2016	504.85	- 620.83	(2.00)	- 117.98
Profit for the year		73.85	-	73.85
Other comprehensive income			14.83	14.83
Total comprehensive income for the year		- 694.67	12.83	- 681.84
Transaction with owners in their capacity as owners:				
Dividends paid			-	-
Balance as at March 31, 2017	504.85	- 694.67	12.83	- 176.99

The above Statement of changes in equity should be read in conjunction with the accompanying notes

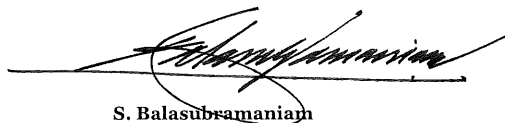
For and on behalf of Chetan Mayur & Co.
Firm Registration No. 123216W
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Chetan Shroff
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Membership No. 104273

Sandeep Kishore
Director

S. Balasubramaniam
Director



Place: Pune
Date: April 25, 2017

Place: Pune
Date: April 25, 2017

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ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD

Notes accompanying the Financial Statements as at and for the year ended March 31, 2017

1. Background

Zensar Technologies (Shanghai) Co. Ltd is a company registered under the laws of Peoples Republic of China with an approved operating period of 20 years. The company is primarily engaged in providing a complete range of IT Services and Solutions.

The special purpose financial statements are prepared for the purposes of the information and use of management and Board of Directors in its preparation of the Consolidated Financial statements of the Holding Company, Zensar Technologies Limited.

2. Summary of significant accounting policies

a. Basis of preparation

(i) Compliance with Ind AS

The 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] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

The financial statements are the first financial statements of the Company under Ind AS. Refer note 39 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) which are measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments
- assets and liabilities arising in a business combination

(iii) 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 cycles as 12 months for the purpose of current -non current classification of assets and liabilities.

b. Foreign currency translation

(i) 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 Indian rupee (INR). However, the functional currency for the Company is CNY.

(ii) Transactions and balances

- Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss and reported within foreign exchange gains/(losses), net within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

- A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

- Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. 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 have been 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 cost and 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 'Advance from customers'.

(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 118, 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.

d. 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 a business combination, or 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 Income Tax:

Deferred income tax is recognized using the balance sheet approach. Deferred income 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 income 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 income 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 income 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 income 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 income 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.

e. 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 2014, 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:

Finance Lease: Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

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 income 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.

f. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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.

g. 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, and bank overdrafts.

h. 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.

i. 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 through 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.

(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 IFRS9.
- 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 retains 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.

j. 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(FVTPL):

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the 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 group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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 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.

(iii) 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.

k. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable 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.

I. 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.

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 equipment not available for use before such date are disclosed under capital work- in-progress.

(ii) Transition to Ind AS

On transition to Ind AS, the Company has decided to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iii) Depreciation

The Company depreciates property, plant and equipment on a straight-line basis as per the useful lives prescribed under Schedule II of the Companies Act, 2013 except in respect of the following assets where, useful life of assets have been determined based on technical evaluation done by the management's expert:

Class of asset	Useful life as per Schedule II	Useful life as followed by the Company
Server and networking equipment	6 years	4 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. Freehold land is not depreciated.

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.

(iii) Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible asset arising from development activity is recognised at cost on demonstration of its technical feasibility, the intention and ability of the Company to complete, use or sell it, only if, it is probable that the asset would generate future economic benefit and the expenditure attributable to the said assets during its development can be measured reliably.

(iv) Amortisation periods and methods: Intangible assets are amortised on straight line basis over their estimated useful lives which are as follows:

Class of asset	Useful life as per Schedule II
Software	1-5 years
Technical know-how (internally generated)	3 years

The estimated useful life of amortizable intangibles are reviewed

(v) Transition to Ind AS

On transition to Ind AS, the Company has decided to continue with the carrying value of all intangible assets recognised as at April 1, 2015 as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

m. 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.

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.

n. 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

o. 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.

p. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

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.

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 consolidated 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

The company's tax jurisdiction is China. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

c Defined benefit obligation

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Also refer note 15.

d Other estimates

The Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

e Segment

Where a financial report contains both consolidated financial statements and separate financial statements of the parents, segment information needs to be presented only in case of consolidated financials. Accordingly segment information has been provided only in the consolidated financial statements

ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
Notes to the Financial Statements as at and for the year ended March 31, 2017
(All amounts are in INR Lakhs, unless otherwise stated)

4 Property, Plant and Equipment

	Office Equipment	Data processing equipments	Total	Capital work in progress
Gross carrying amount				
Deemed cost as at April 1, 2015	5.55	3.44	8.99	
Additions				
Disposals/Adjustments	0.47	0.80		
Gross carrying amount as at March 31, 2016	6.02	4.23	10.26	-
Accumulated depreciation				
Depreciation charge during the year	2.94	1.42	4.36	-
Disposals	-	-	-	-
Closing accumulated depreciation as at March 31, 2016	2.94	1.42	4.36	-
Net carrying amount as at March 31, 2016	3.08	2.82	5.89	-

	Office Equipment	Data processing equipments	Total	Capital work in progress
Gross carrying amount				
As at March 31, 2016	6.02	4.23	10.26	-
Additions			-	
Disposals/Adjustments			-	
Gross carrying amount as at March 31, 2017	6.02	4.23	10.26	-
Accumulated Depreciation				
As at March 31, 2016	2.94	1.42	4.36	-
Depreciation charge during the year	0.68	1.24	1.92	-
Disposals			-	-
Translation difference	0.07	(1.05)		
Closing accumulated depreciation as at March 31, 2017	3.70	1.61	5.30	-
Net carrying amount as at March 31, 2017	2.33	2.63	4.95	-

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ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD

Notes to the Financial Statements as at and for the year ended March 31, 2017

(All amounts are in INR Lakhs, unless otherwise stated)

5 Goodwill and Intangible Assets

The following tables present the reconciliation of changes in carrying value of goodwill and other intangible assets :

	Computer Software (Acquired)	Technical know-how (Internally generated)	Total
Gross carrying amount			
Deemed cost as at April 1, 2015	0.28		0.28
Additions		-	-
Disposals/Adjustments	-	-	-
Gross carrying amount as at March 31, 2016	0.28	-	0.28
Accumulated amortisation			
Amortisation charge during the year	0.01		0.01
Closing accumulated amortisation as at March 31, 2016	0.01	-	0.01
Net carrying amount as at March 31, 2016	0.28	-	0.28

	Computer Software (Acquired)	Technical know-how (Internally generated)	Total
Gross carrying amount			
As at March 31, 2016	0.28	-	0.28
Additions		-	-
Disposals/Adjustments	-	-	-
Gross carrying amount as at March 31, 2017	0.28	-	0.28
Accumulated Amortisation			
As at March 31, 2016	0.01	-	0.01
Amortisation charge during the year	0.02		0.02
Closing accumulated amortisation as at March 31, 2017	0.02	-	0.02
Net carrying amount as at March 31, 2017	0.26	-	0.26

ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
Notes to the Financial Statements as at and for the year ended March 31, 2017
(All amounts are in INR Lakhs, unless otherwise stated)
6 Trade receivables

(Unsecured, considered good unless otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Other debts:			
Considered good	57.36	46.37	57.06
Considered doubtful	-	-	-
	57.36	46.37	57.06
Less: Allowance for credit losses	-	-	-
	57.36	46.37	57.06
Total receivables	57.36	46.37	57.06
Current portion	57.36	46.37	57.06
Non- current portion	-	-	-

No amounts are receivable from directors or other officers of the company either severally or jointly with any other person.

7 Other financial assets : Non current

(Unsecured, considered good unless otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
Security deposits	0.22	0.24	4.05
Total	0.22	0.24	4.05

8 Cash and cash equivalents

	March 31, 2017	March 31, 2016	April 1, 2015
Balances with Banks :			
- In current accounts	158.55	238.78	225.54
Cash on hand	-	-	-
Total	158.55	238.78	225.54

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and

9 Other Current assets

	March 31, 2017	March 31, 2016	April 1, 2015
Advances other than capital advances:			
- advances to employees	0.99	1.62	3.60
- advances to suppliers	-	-	-
Others:			
- Prepaid expenses	0.36	0.50	2.64
- Lease prepayments	-	-	-
- Statutory receivables	5.54	4.52	3.54
-Others	-	-	-
Total	6.89	6.64	9.78

ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
Notes to the Financial Statements as at and for the year ended March 31, 2017
(All amounts are in INR Lakhs, unless otherwise stated)
10 (a) Equity share capital

	March 31, 2017	March 31, 2016	April 1, 2015
Authorised, issued, subscribed and Paid up :	504.85	504.85	504.85
Total	504.85	504.85	504.85

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

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
At the beginning of the year	4,376.75	4,376.75	4,376.75
Add: Shares issued on exercise of Employee Stock Options	-	-	-
Outstanding at the end of the year	4,376.75	4,376.75	4,376.75

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

	March 31, 2017	March 31, 2016	April 1, 2015
Name of shareholder			
	%	%	%
Zensar Technologies Limited, Parent Company	100.00%	100.00%	100.00%

10 (b) Reserves and surplus:

	March 31, 2017	March 31, 2016	April 1, 2015
Retained earnings	(694.67)	(620.83)	(606.88)
Total reserves and surplus	(694.67)	(620.83)	(606.88)

10 (c) Details of additions and deletions since the last Balance Sheet

	March 31, 2017	March 31, 2016	April 1, 2015
Retained earnings			
Balance as at the beginning of the year	(620.83)	(606.88)	(522.45)
Add: Net Profit for the year	(73.85)	(13.95)	(110.62)
Add / (less) items of other comprehensive income recognised directly in retained earnings:	-	-	-
Add / (less) IND AS adjustment entries recognised directly in retained earnings:	-	-	26.20
Balance as at the end of the year	(694.67)	(620.83)	(606.88)

ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD

Notes to the Financial Statements as at and for the year ended March 31, 2017

(All amounts are in INR Lakhs, unless otherwise stated)

10 (d) Other components of equity:

	Notes	Foreign currency translation reserve	Total
As at April 1, 2015		(0.00)	(0.00)
Currency translation adjustments		(2.00)	(2.00)
Deferred tax / Current tax impact		-	-
As at March 31, 2016		(2.01)	(2.01)
Currency translation adjustments		14.83	14.83
Deferred tax / Current tax impact		-	-
As at March 31, 2017		12.82	12.82

10 (e) Nature and purpose of each reserve within equity:**(i) Retained earnings:**

Retained earnings comprises of the Company's undistributed earnings after taxes.

(ii) Foreign currency translation reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit and loss when the net investment is disposed off.

ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
Notes to the Financial Statements as at and for the year ended March 31, 2017
(All amounts are in INR Lakhs, unless otherwise stated)
11 (a) Borrowings

	March 31, 2017	March 31, 2016	April 1, 2015
Current borrowings			
- From Holding Company (Unsecured)	97.74	99.86	90.45
Total current borrowings	97.74	99.86	90.45
Less: Interest accrued	-	-	-
Current borrowings (as per balance sheet)	97.74	99.86	90.45

11 (b) Other financial liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Current			
Employee dues	-	5.39	22.19
Total other current financial liabilities	-	5.39	22.19

12 Trade Payables

	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Trade Payables	30.35	19.23	49.81
Trade payables to related parties [refer note 31]	276.24	291.69	242.08
Total	306.59	310.92	291.89
total outstanding dues of creditors other than micro enterprises and small enterprises	306.59	310.92	291.89

13 Other Current liabilities

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Others			
- Employee contributions toward provident and pension fund	(1.28)	-	6.33
- Statutory taxes	2.16	-	(0.65)
Total	0.88	-	5.68

ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD

Notes to the Financial Statements as at and for the year ended March 31, 2017

(All amounts are in INR Lakhs, unless otherwise stated)

14 Revenue from operations

	March 31, 2017	March 31, 2016
Software development and allied services	16.89	252.37
Total revenue from continuing operations	16.89	252.37

15 Other income

	March 31, 2017	March 31, 2016
Interest Income		
- On deposits with banks	0.68	0.31
- On others	0.47	-
Total	1.14	0.31

16 Other gains / (losses)

	March 31, 2017	March 31, 2016
Net foreign exchange gain / (loss)	(11.26)	0.81
Total	(11.26)	0.81

17 Employee benefit expense

	March 31, 2017	March 31, 2016
Salaries and wages	37.85	132.32
Contribution to provident and other funds	8.75	51.71
Leave compensation	2.05	5.48
Staff welfare expenses	0.00	1.14
Total	48.65	190.65

18 Depreciation and amortisation expense

	March 31, 2017	March 31, 2016
Depreciation - Property, plant and equipment	0.60	3.26
Amortization of intangible assets	-	-
Total	0.60	3.26

19 Other expenses

	March 31, 2017	March 31, 2016
Travelling and conveyance	1.98	2.51
Cost of manpower hired	-	22.69
Electricity and power	0.03	0.67
Rent	0.54	11.80
-Building	-	0.62
-Others	0.11	-
Insurance	0.11	0.72
Rates and taxes	0.02	-
Legal and professional charges	11.69	13.02
Postage, telephone and e-mail	0.19	1.90
Printing and stationery	-	0.11
Vehicle running expenses	-	(1.02)
Advertisement and publicity	-	0.12
Miscellaneous expenses	16.55	15.79
Total	31.22	68.93

20 Finance Costs

	March 31, 2017	March 31, 2016
Interest on loans	-	3.95
Bank charges	0.14	0.65
Total	0.14	4.60

ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
Notes to the Financial Statements as at and for the year ended March 31, 2017
(All amounts are in INR Lakhs, unless otherwise stated)
21 Fair value measurements
Financial instruments by category:

Particulars	March 31, 2017			March 31, 2016			April 1, 2015		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investments:									
Trade receivables	-	-	57.36	-	-	46.37	-	-	57.06
Cash and cash equivalents	-	-	158.55	-	-	238.78	-	-	225.54
Accrued revenue	-	-	(0.00)	-	-	(0.00)	-	-	2.49
Other current assets	-	-	6.89	-	-	6.64	-	-	9.78
Total financial assets	-	-	215.91	-	-	285.15	-	-	285.09
Financial liabilities									
Borrowings	-	-	97.74	-	-	99.86	-	-	90.45
Trade payables	-	-	306.59	-	-	310.92	-	-	291.89
Other financial liabilities	-	-	-	-	-	5.39	-	-	22.19
Total financial liabilities	-	-	404.33	-	-	416.17	-	-	404.53

- (i) 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. Other Bank Balances
4. Security Deposits
5. Accrued Revenue
6. Borrowings
7. Trade payables
8. Capital creditors

ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD**Notes to the Financial Statements as at and for the year ended March 31, 2017**

(All amounts are in INR Lakhs, unless otherwise stated)

22 Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

(i) Liquidity risk

Cash flow forecasting is performed in the operating entities of the group in and aggregated by group finance. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2017	2016
Trade and other payables		
Less than one year	• 307	• 311
	• 307	• 311

(ii) 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 Rs. 57.36 lakhs and Rs. 46.37 lakhs as of March 31, 2017 and March 31, 2016, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers located in US and Australia. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group 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.

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.

Financial assets exposed to credit risk at year end were as follows:

	2017 INR	2016 INR
Trade and other receivables		
Less than one year	57.36	46.37
Cash and bank balances		
Less than one year	158.55	238.78

(iii) Foreign exchange risk

The company is not exposed to foreign exchange risk.

(iv) Price risk

The group is not exposed to price risk

ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD

Notes to the Financial Statements as at and for the year ended March 31, 2017

(All amounts are in INR Lakhs, unless otherwise stated)

23 Capital Risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the cash and cash equivalents disclosed in note 8, and equity as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Dividends

There were no dividends proposed or paid during the year (2016 : Nil)

ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
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(All amounts are in INR Lakhs, unless otherwise stated)

24 Related party disclosures as per Ind AS 24

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

Parties where control exists

Holding corporation:

Zensar Technologies Limited, India

Fellow subsidiaries: (List is restricted to the companies where transactions exist)

Zensar Technologies Inc., USA

Zensar Technologies IM, Inc

Key Management Personnel

Name	Designation
Sandeep Kishore	Director
S. Balasubramaniam	Director

B Transactions with Related Parties

Sr. No.	Particulars	Volume of transactions		Amount outstanding as on					
		March 31, 2017	March 31, 2016	March 31, 2017		March 31, 2016		April 1, 2015	
				Receivable	Payable	Receivable	Payable	Receivable	Payable
a.	Rendering of Software Services								
1	1.Holding Corporation :								
(i)	(i)Zensar Technologies Limited, India	1.17	140.85	35.81		36.80		25.51	
(ii)	1.Fellow Subsidiaries :								
(iii)	(i) Zensar Technologies, Inc., USA	0.03	46.64	1.06		1.09		11.82	
(iv)	(ii) Zensar Technologies IM, Inc	0.58	39.94	20.24		3.50		10.65	
	Total of rendering of Software Services	1.77	227.44	57.11	0.00	41.38	0.00	47.98	0.00
b.	Receipt of Software Services								
1	(i)Zensar Technologies Limited, India	5.25	22.69		168.12		34.13		14.78
(i)	(ii) Zensar Technologies, Inc., USA	3.08	0.00		108.12		110.45		104.21
	Total of Receipt from Software Services	8.33	22.69	0.00	276.24	0.00	144.58	0.00	118.99
c.	Reimbursement of expenses incurred								
1	1.Holding Corporation :								
(i)	(i)Zensar Technologies Limited, India	5.25	18.19		168.12		147.11		122.26
	Total reimbursement of expenses incurred (Net)	5.25	18.19	0.00	168.12	0.00	147.11	0.00	122.26
d.	Loans granted/ (repaid)								
1	1.Holding Corporation :								
(i)	(i)Zensar Technologies Limited, India				77.82		79.50		75.01
	Total of loans granted/ (repaid)				77.82	-	79.50	-	75.01
e.	Interest on Unsecured Loans								
1	1.Holding Corporation :								
(i)	(i)Zensar Technologies Limited, India	0.57	3.95		19.92		20.35		15.44
	Total of interest on Unsecured Loan	0.57	3.95	0.00	19.92	0.00	20.35	0.00	15.44

ZENSAR TECHNOLOGIES (SHANGHAI) CO. LTD
Notes to the Financial Statements as at and for the year ended March 31, 2017
(All amounts are in INR Lakhs, unless otherwise stated)

25 First time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April, 2015. In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). In its transition from previous GAAP to Ind AS, the Company has also availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101. An explanation of how this transition has affected the company's financial performance and cash flows is set out in the following tables and notes.

(a) Exemptions from full retrospective application:

aa Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ab Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a foreign operation was formed or acquired.

The Company elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

(b) Mandatory exceptions

ba Estimates

An entity's estimate on the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model with Ind AS at the date of transition as these were not required under previous GAAP

bb De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements under Ind AS 109, prospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

bc Classification and measurement of financial assets

As required under Ind AS 101, the Company has classified and measured the financial assets on the basis of the facts and circumstances existing at the date of transition to Ind AS.

(c) Reconciliations between previous GAAP and Ind AS

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- equity as at April 1, 2015;
- equity as at March 31, 2016;
- total comprehensive income for the year ended March 31, 2016; and
- explanation of material adjustments to cash flow statements.

In the reconciliations mentioned above, certain reclassifications have been made to Previous GAAP financial information to align with the Ind AS presentation.

ca Reconciliation of equity as at April 1, 2015

Particulars	Notes to first time adjustment	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
ASSETS				
NON CURRENT ASSETS				
(a) Property, Plant and Equipment		9.27	-	9.27
(b) Financial Assets				
i. Other financial assets		4.05	(0.00)	4.05
(d) Other non-current assets			0.00	
Total Non-Current Assets		13.32	0.00	13.32
CURRENT ASSETS				
(a) Financial Assets				
i. Trade receivables		57.06	-	57.06
ii. Cash and cash equivalents		225.54	-	225.54
iii. Bank balances other than in (ii) above		-	-	-
iv Unbilled Revenue		2.49	-	2.49
vi. Other financial assets				-
(b) Other current assets	6	9.78	-	9.78
Total Current Assets		294.87	-	294.87
Total Assets		308.19	-	308.19
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		504.85	-	504.85
(b) Other Equity				
i. Reserves and surplus		(606.87)	-	(606.87)
ii. Other components of equity		-		(0.00)
Total Equity		(102.02)	-	(102.02)
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
i. Borrowings		-	-	-
ii. Other financial liabilities		-		-
(d) Other non-current liabilities		-	-	-
Total non-current liabilities		-	-	-
CURRENT LIABILITIES				
(a) Financial Liabilities				
i. Borrowings		90.45	-	90.45
ii. Trade payables		291.89		291.89
iii. Other financial liabilities		22.19		22.19
(d) Unearned Revenue		-		-
(e) Other current liabilities		5.68		5.68
Total Current Liabilities		410.21	-	410.21
Total Equity and Liabilities		308.19	-	308.19

cb Reconciliation of equity as at March 31, 2016

Particulars	Notes to first time adjustment	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
ASSETS				
NON CURRENT ASSETS				
(a) Property, Plant and Equipment		6.18	-	6.18
(f) Financial Assets			-	
i. Other financial assets		0.24		0.24
Total Non-Current Assets		6.42	-	6.42
CURRENT ASSETS				
(a) Financial Assets				
i. Investments		-		
ii. Trade receivables		46.37	-	46.37
iii. Cash and cash equivalents		238.78	-	238.78
iv. Bank balances other than in (iii) above		-	-	-
vi. Other financial assets		-	-	-
(b) Other current assets		6.64		6.64
Total Current Assets		291.79	-	291.79
Total Assets		298.21	-	298.21
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		504.85	-	504.85
(b) Other Equity				
i. Reserves and surplus	2	(622.81)	2.01	(620.81)
ii. Other components of equity	1	-	(2.01)	(2.01)
Total Equity		(117.96)	-	(117.96)
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
i. Borrowings		-	-	-
ii. Other financial liabilities		-		-
(d) Other non-current liabilities		-	-	-
Total non-current liabilities		-	-	-
CURRENT LIABILITIES				
(a) Financial Liabilities				
i. Borrowings		99.86	-	99.86
ii. Trade payables		310.92	-	310.92
iii. Other financial liabilities		5.39	-	5.39
(d) Other current liabilities		-	-	-
Total Current Liabilities		416.17	-	416.17
Total Equity and Liabilities		298.21	-	298.21

cc **Reconciliation of total comprehensive income for the year ended March 31, 2016**

Particulars	Notes to first time adjustment	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Continuing Operations				
Income				
Revenue from operations		252.37	-	252.37
Other income		0.31		0.31
Other gains / (losses) - net		0.81		0.81
Total Income		253.49	-	253.49
Expenses				
Employee benefits expense		190.65		190.65
Depreciation and amortisation expense		3.26		3.26
Other Expenses		68.93	-	68.93
Finance cost		4.60		4.60
Total expenses (II)		267.44	-	267.44
Profit before exceptional items and tax		(13.95)		(13.95)
Exceptional items		-	-	-
Profit before tax from continuing operations		(13.95)	-	(13.95)
Income Tax expense				
Current tax		-		-
Deferred tax		-		-
Total tax expense		-	-	-
Profit from continuing operations		(13.95)	-	(13.95)
Profit from discontinued operations		-	-	-
Profit for the year		(13.95)	-	(13.95)
Other comprehensive income	3	(1.99)		(1.99)
Total comprehensive income		(15.94)	-	(15.94)

cd **Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016**

Particulars	Notes to first time adjustment	Amounts as per previous GAAP	Adjustments	Amount as per Ind AS
Net cash flow from operating activities		18.01		7.57
Net cash flow from investing activities		-		0.31
Net cash flow from financing activities		(4.60)		4.81
Net increase / (decrease) in cash and cash equivalents		13.41		12.70
Cash and cash equivalents as at April 1, 2015		225.54		225.54
Effects of exchange rate changes on cash and cash equivalents		-0.17		0.55
Cash and cash equivalents as at March 31, 2016		238.78		238.78

ce **Analysis of changes in cash and cash equivalents for the purposes of cash flows under Ind AS**

Particulars	Notes to first time adjustment	March 31, 2016	April 1, 2015
Cash and cash equivalents as per previous GAAP		238.78	225.54
Bank overdrafts			
Cash and cash equivalents for the purpose of statement of cash flows		238.78	225.54

cf Notes to first time adoption

Note 1- Foreign currency translation reserve

The Company elected to reset the balance appearing in the foreign currency translation reserve to zero as at April 1, 2015. Accordingly, translation reserve balance under previous GAAP of Rs.26.20 has been transferred to retained earnings. There is no impact on total equity as a result of this adjustment.

Note 2: Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 3: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income include remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.